Daily Report

Central Eurasia

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FBIS-SOV-94-119 *21 June 1994*

CONTENTS

INTERREGIONAL AFFAIRS

Parties in Former Republics Support Eurasian Union *[INTERFAX]* 1
CIS Industrial Production Down by 28 Percent *[INTERFAX]* 1
Article Provides Armenian, Azeri Forces Strength Levels *[7 DGHE 4-9 Jun]* 1

RUSSIA INTERNATIONAL AFFAIRS

Kozyrev To Sign 'Russia-NATO' Protocol in Brussels *[INTERFAX]* 3
Kozyrev on Partnership for Peace Process *[Russian TV]* 3
Foreign Ministry Hopes for NATO Accord Signing *[INTERFAX]* 3
Joint Russian-U.S. Military Exercise Called Off *[Moscow International]* 3
Naval Exercises Held Near Vladivostok *[Moscow Radio]* 4
Naval Exercise Starts in Pacific *[INTERFAX]* 4
Freeh Visit Denotes 'Friendly Terms' of Links With FBI *[KOMSOMOLSKAYA PRAVDA 18 Jun]* 4
United States Leads West in Joint Ventures *[SEGODNYA 21 Jun]* 4
Petroleum Club To Promote Joint Projects *[ITAR-TASS]* 5
DPRK Conditionally Agrees to Carter Plan *[INTERFAX]* 5
DPRK Wants Nuclear Talks 'On Our Terms' *[NOVAYA YEZHEDNEVNAYA GAZETA 21 Jun]* 5
Envoy Says DPRK 'Ready' *[Moscow TV]* 6
Clinton Policy Adviser on Failure To Consult With Russia *[ROSSIYSKAYA GAZETA 18 Jun]* 6
Duma Committee, DPRK Envoy on Korean Situation *[Moscow Radio]* 6
DPRK Not To Accept Inspection While Talks Under Way *[Seoul YONHAP]* 6
Commentator Favors International Conference to Sanctions *[Moscow International]* 7
Moscow Hopes For End of June Meeting on Bosnia *[INTERFAX]* 7
Chernomyrdin Addresses World Gas Congress *[ITAR-TASS]* 7
Invites Italy's Berlusconi to Visit Moscow *[ITAR-TASS]* 8
Further on Berlusconi Meeting *[Russian TV]* 8
Chernomyrdin Ends Visit to Italy, Leaves for U.S. *[ITAR-TASS]* 8
U.S. Visit Previewed *[IZVESTIYA 21 Jun]* 9
Further on U.S. Visit *[ITAR-TASS]* 10
Rybkin Expects 'Upswing' in Relations With Germany *[SEGODNYA 21 Jun]* 10
Rybkin Delegation Returns From Berlin *[ITAR-TASS]* 11
FRG Grants Loan for Housing Construction *[Moscow TV]* 11
Yeltsin To Sign Treaty With European Union *[INTERFAX]* 11
Cypriot House Delegation Meets Kozyrev *[Nicosia Radio]* 12
Further on Kozyrev-Galanos Meeting *[ITAR-TASS]* 12
Kozyrev, Greece's Papoulias Hold Talks in Moscow *[Russian TV]* 12
Gaydar Seeks Interparty Cooperation in Japan *[ITAR-TASS]* 12
Deputies Warn of 'Treacherous' U.S. Plans for Golan *[SEGODNYA 21 Jun]* 13
Defense Spokesman on Airlift for Abkhaz Peacekeeping *[INTERFAX]* 13
More Aid Sent To Tanzania for Rwandan Refugees *[Moscow TV]* 13
Tajik Opposition Suspected of Attempt on Moscow Official *[NEZAVISIMAYA GAZETA 21 Jun]* 14
Rybkin Condemns Human Rights Violations in Baltics *[INTERFAX]* 14
International Experts To Help Utilize Liquid Nuclear Waste *[ITAR-TASS]* 14

RUSSIA NATIONAL AFFAIRS

Political Issues

Yeltsin Refuses To Suspend Edict on 'Gangsterism' *[ITAR-TASS]* 15
Interior Ministry Official Explains Edict *[INTERFAX]* 15
Rutskoy Criticizes Edict *[Moscow TV]* 15
'Memorial,' Entrepreneurs on Crime Edict *[NEZAVISIMAYA GAZETA 18 Jun]* 16

Union Urges 'Uncompromising Action' on Crime *[TRUD 18 Jun]* 16
Organizations Pledge Support for Edict *[ROSSIYSKAYA GAZETA 18 Jun]* 16
Political Motive Seen in Anticrime Edict *[SOVETSKAYA ROSSIYA 21 Jun]* 17
Officials Hold News Conference on 'Rampant' Crime *[KOMMERSANT-DAILY 21 Jun]* 18
Increase in Crime by, Against Foreigners Reported *[INTERFAX]* 19
Zyuganov: Russia on Verge of 'Criminal Dictatorship' *[INTERFAX]* 19
Yeltsin, Kozyrev, Yerin Visit Crack Police Division *[ITAR-TASS]* 20
Yeltsin Announces New Government Appointments *[ITAR-TASS]* 20
Public Chamber Oversees Social Accord Progress *[ROSSIYSKIYE VESTI 21 Jun]* 20
Filatov Sees No Danger of Federation Falling Apart *[INTERFAX]* 21
Poll Taken on Reunification With Former Republics *[ITAR-TASS]* 21
Yeltsin Drafts Bill on Prosecutor General's Office *[INTERFAX]* 22
Yeltsin, Yavlinskiy Leading Presidential Candidates *[ITAR-TASS]* 22
Yeltsin Congratulates Special Task Force *[ITAR-TASS]* 22
Yeltsin Sends Greetings to Religious Conference *[ITAR-TASS]* 23
Nationwide Poaching-Control Operation Begins *[ITAR-TASS]* 23
Trial of 1991 Coup Plotter Varennikov Continues *[INTERFAX]* 23
New Witnesses Summoned at Trial *[ITAR-TASS]* 23
Zhirinovskiy Expresses Support *[ITAR-TASS]* 24
Columnist Views Zhirinovskiy Immunity Case *[IZVESTIYA 17 Jun]* 24
Daily Apologizes for Nonpublication *[SOVETSKAYA ROSSIYA 21 Jun]* 25

Economic Issues

Food Prices Continue To Inflate *[ROSSIYSKAYA GAZETA 16 Jun]* 26
Food Prices Caught in 'Vicious Circle' *[ROSSIYSKAYA GAZETA 17 Jun]* 26
Farmers Need R9 Trillion To Harvest Crops *[INTERFAX]* 27
Soskovets Says Grain Losses Must Be Averted *[INTERFAX]* 27
Consumer Price Inflation Continues To Slow Down *[IZVESTIYA 21 Jun]* 28
New Privatization Stage Under Way *[ITAR-TASS]* 28
Chubays Defends Voucher Privatization Program *[Moscow Radio]* 29
Reform Foundation Sees 'No Logic' in Edicts *[NEZAVISIMAYA GAZETA 17 Jun]* 30
Government Owes Enterprises R8.5 Trillion *[Russian TV]* 31
Unprofitable Coal Mines To Be Closed Down *[IZVESTIYA 17 Jun]* 31
Yeltsin Edicts Aimed at Housing Problems *[ROSSIYSKIYE VESTI 18 Jun]* 31

Military & Nuclear Issues

Navy Opposes State Control Over Naval Nuclear Sites *[INTERFAX]* 32
Commander Discusses Baltic Fleet Changes *[KRASNAYA ZVEZDA 17 Jun]* 32
Concern Over Safety of Nuclear Stations *[INTERFAX]* 33

Federal Assembly

Federation Council Votes for Peacekeepers in Abkhazia *[ITAR-TASS]* 33
Federation Council Declines To Debate Budget *[ITAR-TASS]* 33
Federation Council Held on Restitution of Art Works *[NEZAVISIMAYA GAZETA 21 Jun]* 33
Duma Votes For Smaller '94 Military Budget *[Russian TV]* 34
Duma Discusses North Korea Behind Closed Doors *[ITAR-TASS]* 34
Duma To Hold Hearings on Closed Cities Problems *[SEGODNYA 21 Jun]* 34
Shumeyko Proposes To Extend Term of Lawmakers *[ITAR-TASS]* 34
Zhirinovskiy Presents Privatization Concept to Duma *[INTERFAX]* 35
More on 'Decembrists' Walkout From Duma Sitting *[IZVESTIYA 17 Jun]* 35

Regional Affairs

Yeltsin Disappointed With Amur Economic Situation *[SELSKAYA ZHIZN 17 Jun]* 36
Deputy Minister, No. Ossetia President Hold Talks *[ITAR-TASS]* 36
Far East Leaders Discuss Draft Presidential Edict *[ROSSIYSKAYA GAZETA 18 Jun]* 36
Funds Made Available To Pay Defense Workers' Wages *[ROSSIYSKAYA GAZETA 18 Jun]* 37
Military Faces Problems in Supplying Arctic Garrisons *[KRASNAYA ZVEZDA 17 Jun]* 37

Stavropol To Introduce Entry Restrictions *[ROSSIYSKAYA GAZETA 17 Jun]* 37
Altay Kray Adopts Own Privatization Regulations *[ROSSIYSKAYA GAZETA 18 Jun]* 39
New Magadan Political Association Wins Local Duma Seats *[ROSSIYSKAYA GAZETA 17 Jun]* . 39

UKRAINE

International Affairs

Israeli Business Delegation Views Cooperation Prospects *[ITAR-TASS]* 40
Defense Minister Seeks Support From Chicago Community *[Kiev International]* 40
Kravchuk Calls for Stronger Economic Ties With Russia *[ITAR-TASS]* 40
Sevastopol Association Urges Union With Russia, Belarus *[KRYMSKAYA PRAVDA 8 Jun]* 40
Parliament Speaker Wants Joint Command for Black Sea Fleets *[Moscow TV]* 42
Chernomyrdin, Other Republic Leaders Congratulate Masol *[Kiev Radio]* 42
Kravchuk, Officials View 14 Jun EU Agreement *[URYADOVYY KURYER 16 June]* 42
Foreign Minister Views EU Agreement *[HOLOS UKRAYINY 17 Jun]* 44

National Affairs

Kravchuk Annuls Crimean President's Edicts on Privatization *[UNIAR]* 45
Cancels Decrees on State Property *[Kiev Radio]* 45
Rukh Leader Accuses Government of Mistakes in Crimea *[Hamburg DER SPIEGEL 20 Jun]* 46
Former Navy Chief Urges Kravchuk To Settle Crimean Conflict *[RADA 16 Jun]* 47
President Issues Decree on Hard Currency Earnings *[UNIAN]* 47
Presidential Candidate Moroz Discusses Program *[UNIAN]* 48
Denies Withdrawing Candidacy *[INTERFAX]* 49
'Ukrayina' Bloc Condemns Antinational Activities in Kharkov *[VECHIRNIY KIYEV 16 Jun]* 49
Nuclear Commission Chairman on NPT Treaty *[UNIAN]* 49

WESTERN REGION

Belarus

Helsinki Accords 'Have No Force for Post-Soviet States' *[INTERFAX]* 50
National Bank Head Surveys Economic Situation *[NARODNAYA GAZETA 15 Jun]* 50
Paznyak's Economic Program Outlined *[NARODNAYA GAZETA 10 Jun]* 52
Kebich Presidential Program Published *[RESPUBLIKA 8 Jun]* 55

Moldova

Ruling Party Head Views Draft Bill on Official Language *[BASAPRESS]* 60
Dniester Releases Ilascu Group Detainee Godiac *[BASAPRESS]* 60

CENTRAL ASIA

Kazakhstan

Nazarbayev Speaks on Ways of Overcoming Crisis *[Almaty Radio]* 61
Nazarbayev Releases Almaty Mayor From Post *[Almaty Radio]* 61
IMF Loans $30 Million to Reconstruct Oil-Production System *[INTERFAX]* 61
Tax Inspectors Return 20 Million Tenge to Budget in North *[Almaty Radio]* 61

Kyrgyzstan

Premier Receives Japanese Businessmen *[INTERFAX]* 61
Discuss Investment Projects *[INTERFAX]* 61
Uzbekistan Threatens To Cut Off Kyrgyz Gas Supplies *[PRAVDA 21 Jun]* 62
Humanitarian Aid Delivered From ROK *[Bishkek Radio]* 62

Tajikistan

Offensive on Afghan Border 'Thwarted' *[Moscow TV]* 62
Russian Border Guard Helipad Attacked; Man Detained *[ITAR-TASS]* 63
Russian Ambassador Comments on Security Situation *[Moscow TV]* 63
Japanese Ambassador Arrives, Meets With President *[Dushanbe Radio]* 63
Tajik Opposition Leader Interviewed in Afghanistan *[IZVESTIYA 18 Jun]* 63

CAUCASUS

Armenia

World Bank Delegations Arrive, Evaluate Economic Needs
[ARAGIL ELECTRONIC NEWS BULLETIN] 65
Parliament Chairman Leaves For Black Sea Meeting *[Yerevan Radio]* 65
Consumer Market Prices Increase *[SNARK]* 65

Azerbaijan

Aliyev, U.S. Envoy Discuss Karabakh, Ties *[Baku TV]* 65
Paper Says Kusarskiy Rayon Lezgins Slain by Azeris
[NOVAYA YEZHEDNEVNAYA GAZETA 18 Jun] 66
Leader Denies Ethnic Bias *[TURAN]* 66

Georgia

Shevardnadze Interviewed on Abkhaz Conflict *[Tbilisi Radio]* 66
Russian Military Begins Clearing Mines on Abkhaz Border *[SNARK]* 69
Russian Peacekeeping Troops Reduced in S. Ossetia *[IBERIA]* 69
Black Sea Fleet Ends Peacekeeping Mission *[ITAR-TASS]* 69
Refugees Support Call for Peacekeeping Forces *[NEZAVISIMAYA GAZETA 21 Jun]* 69
Paper Gives Data on Leading Members of Reformers Union *[ERKVANI 1 Jun]* 69
President Outlines Aims, Economic Program *[ERKVANI 1 Jun]* 70

BALTIC STATES

Estonia

Premier Submits Ministers' Resignations *[BNS]* 71
Meri, Luik: PRC Understands, Supports Foreign Policy *[ETA]* 71
Government Sets Rules for Issuing 'Alien's Passports' *[BNS]* 71
Draft Law Demands Return of Petserimaa District *[Tallinn Radio]* 72
Labor Office Reports Unemployment Figures, Seasonal Drop *[BNS]* 72

Latvia

Russian Troops Observe Withdrawal Schedule *[ITAR-TASS]* 72
Interim Agreement on Noncitizens Approved With Russia *[Riga Radio]* 72
Western Ambassadors, CSCE Criticize Citizenship Bill *[Riga Radio]* 73
Free Trade Agreement With EU Signed in Brussels *[Riga Radio]* 73
Further on Newly Formed National Conservative Party *[BNS]* 73

Lithuania

Parliament Speaker Attacks Proposed Referendum *[ITAR-TASS]* 73
Brazauskas Hopes for More U.S. Investments *[ITAR-TASS]* 74
Opposition Expects International Experts To Be Objective *[BNS]* 74
Crime Rate Reported Down by 19.5 Percent *[BNS]* 74

Parties in Former Republics Support Eurasian Union

LD1906165894 Moscow INTERFAX in English 1517 GMT 19 Jun 94

[Text] The forum Towards a New Accord which was attended in Moscow by representatives of 17 parties and 30 movements from all former USSR's republics except Turkmenistan called on the leaders of all the new independent states to refute territorial claims on one another and publicly say so.

Igor Smirnov, chairman of the International Movement for Democratic Reforms ruling body, Arkadiy Volskiy, President of the Russian Union of Industrialists and Entrepreneurs, Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, Nikolay Ryzhkov, former Soviet prime minister, and State Duma and Federation Council members were among the participants of the forum.

The forum supported the idea of a Eurasian Union that had been put forward by Kazakh President Nursultan Nazarbayev and called on the CIS heads of state to consider it from the viewpoint of what is good for their peoples. They supported the proposal made by Ryzhkov that a CIS parliament had to be set up.

CIS Industrial Production Down by 28 Percent

LD2006195794 Moscow INTERFAX in English 1759 GMT 20 Jun 94

[Text] According to the CIS Board of Statistics, industrial production in the Commonwealth of Independent States was down 28 pct in January through May as compared with the same period last year. Manufacturers raised prices 830 percent.

At the same time monthly rates of industrial decline have fallen. May's figure at 5 pct as compared with April's 6 pct, 11 pct in March and 25 pct in February.

Georgia's industrial situation is worse than of any other CIS member-states. Its production was down 52.7 percent in January through May. This is the greatest fall in production in the CIS. At the same time that index was lower than in January through April - 65.6 pct (against 71.6 pct in the first quarter of the year).

In Armenia industrial production is growing. In January through May it was up 11.6 pct as compared with the same period of 1993. Prices in Armenia grew faster than anywhere else in the CIS - by nearly 270 percent.

Uzbekistan reduced industrial recession rates from 6.1 pct in January through April to 5.4 pct in January through May.

Industrial recession has slowed down in both Russia and Ukraine to 25.9 pct and 38.2 respectively.

Production of the main kinds of fuel in the CIS is still decreasing. During the last five months only Uzbekistan increased the production of oil by 37 pct, gas by 9 pct and coal by 30 pct. Turkmenistan increased the production of oil by 2 pct. Production of these kinds of fuel in Kazakhstan and Russia went down. Production of gas in Turkmenistan went down by 48 pct.

The production of oil products is also falling. In Russia the production of petrol decreased by 13 pct, of diesel fuel by 16 pct and of furnace oil by 10 pct. In Belarus the production of petrol decreased by 12 pct, of diesel fuel by 25 pct and of furnace oil by 41 pct. In Kazakhstan the production of petrol decreased by 37 pct, of diesel fuel by 32 pct and of furnace oil by 16 pct.

Food production in the CIS countries is falling significantly. For instance, during January-May meat production in Russia and Kazakhstan was 23 pct - 27 pct less that during the same period of time last year. In Turkmenistan and Azerbaijan it was 39 pct-45 pct less that during January- May, 1993. The production of dairy products in Russia and Kazakhstan decreased by 18 pct, in Azerbaijan by 23 pct, in Moldova by 43 pct and in Kyrgyzstan by more than 50 pct.

The most dramatic situation concerning the production of consumer goods remains in Ukraine where the production of consumer goods went down by 41 pct during January-April.

Article Provides Armenian, Azeri Forces Strength Levels

AU2006204994 Tbilisi 7 DGHE in Georgian 4-9 Jun 94 p 6

[Irakli Aladashvili article: "Caucasus—the Wars Continue"]

[Text] Russia has completed the latest stage of its policy in the Transcaucasus. Russia's peacekeeping forces are ready to take up positions on the Inguri River [Abkhazia] and along the front line of confrontation between Armenian and Azeri military units.

Two to three years ago, Russia transferred quite a large amount of weapons to those countries involved in the current wars in the Transcaucasus. The reason for this was simple: The opposing sides would cause great damage to one another with the transferred weapons and then the Russian Army would directly intervene in events.

The plan has, for all intents and purposes, succeeded. A new stage of subjugation is beginning in the Transcaucasus although certain facts could change the scenario somewhat.

In spite of six years of bloody battles, both Azerbaijan and Armenia still possess a large amount of military equipment and armaments.

The Armenian Armed Forces:
Army—32,682 men, including:
Main Staff—773;

Ground Forces—31,909;
Tanks:
T-72—129;
IFV's:
IFV-1—192; IFV-2—nine; IFV-1K (Command)—seven; BRM-1 (Reconnaissance)—22;
BMD's:
BMD-1—12;
APC's:
APC-60PB—27; APC-70—67; APC-80—four; APC-152—six;
Artillery:
122 mm howitzer D-30—63; 122 mm self-propelled artillery system 2S-1 "Gvozdika"—10; 152 mm self-propelled artillery system 2S-3 "Akatsiya"—32; 152 mm howitzer D-20—31; 152 mm gun 2A-36B "Giatsint"—20; 152 mm howitzer D-1—two; 120 mm mortar—19; 122 mm multiple rocket launcher LV-21 "Grad"—48;
Aviation:
MiG-25 fighter aircraft—one;
Su-25 assault aircraft—five;
Mi-24 assault helicopter—13. Azeri Armed Forces:
Army—56,000 men, including:
Ground forces—48,920; air forces—2,050; naval forces—1,500; air defense—3,530;
Tanks:
T-72—163; T-55—116;
IFV's:
IFV-1—104; IFV-2—191; IFV-3—three; BRM-1 (Reconnaissance)—34;
BMD's:
BMD-1—90; BMD-2—one;
APC's:
APC-60PB—eight; APC-70—76; APC-80—nine; APC-A (amphibious)—22;
Multi-purpose tracked vehicle MT-LB—198;
Artillery:
122 mm howitzer D-30—153; 122 mm self-propelled artillery system 2S-1 "Gvozdika"—14; 152 mm self-propelled artillery system 2S-3 "Akatsiya"—36; 152 mm D-20—36; 152 mm gun 2A-36B "Giatsint"—24; 122 mm multiple rocket launcher LV-21 "Grad"—66;
Aviation:
MiG-21 fighter aircraft—six;
MiG-25 fighter-reconnaissance aircraft—35;
Su-24 tactical bomber and reconnaissance aircraft—seven;
Su-25 assault aircraft—three;
Su-17 fighter-bomber aircraft—two;
Mi-24 assault helicopter—six.

This data is based upon that of independent foreign military experts (although it is not excluded that, as a result of wide-scale hostilities during the last few weeks, certain changes have occurred).

One assumes that Azerbaijan will not reconcile itself to the occupation of a large part of its territory by Armenia's Armed Forces, whereas Armenia will try in every way possible to maintain a buffer zone along the border with Nagorno-Karabakh.

A cessation of hostilities in the war in southern Azerbaijan is unlikely in the near future; the large amount of combat equipment gives one grounds to assume that a big war is yet to come.

Kozyrev To Sign 'Russia-NATO' Protocol in Brussels

LD2006164294 Moscow INTERFAX in English 1511 GMT 20 Jun 94

[Text] Russian Foreign Minister Andrey Kozyrev has told Interfax that he will sign not only the NATO Partnership for Peace program but also a protocol to another program, Russia-NATO, worked out by Russian officials in Brussels on June 22.

Kozyrev will leave for Brussels on June 21. Kozyrev said his main purpose in Brussels was to sign the protocol to the Russia-NATO program.

Kozyrev may leave Brussels for Corfu instead of Moscow in order to join Russian President Boris Yeltsin who will participate in the EU summit and sign an agreement on partnership and cooperation between Russia and the EU.

A high-ranking official from the Russian Foreign Ministry's All- European Cooperation Department told Interfax that the Russia-NATO program transmitted to the NATO headquarters a month ago was a "sound document reflecting our vision of relations with NATO, Russia's place in Europe and in the world."

Kozyrev on Partnership for Peace Process

LD2006184594

[Editorial Report] Moscow Russian Television Network in Russian at 1625 GMT on 20 June carries a 10-minute "Details" program which features an interview with Russian Foreign Minister Andrey Kozyrev by correspondent Vera Kuznetsova.

Asked whether Russia's position at the Partnership for Peace talks has weakened with regard to NATO, and whether this is the reason why he is rushing off to Brussels, Kozyrev replies:

"What rush? There is no rush. To begin with, most other states have already signed, only a few remain. We are trailing right at the back of this process. But I don't think that this has happened because we have been asleep or idle all this time. Simply we have our own difficulties. It is one thing if a small poodle tries to walk through these gates, but quite another matter when an elephant like Russia tries to do the same thing.

"No one is rushing us, and we are in absolutely no hurry, but we are not falling behind either. We have no such objectives. We have a completely different objective, purely and simply pragmatic. We believe that when NATO came to understand our logic, and when we were able to work out the documents, such as the framework —well, that was not real work, but still, we had to weigh up, consider, and discuss everything. So, when we worked out this protocol, we then signed it when we were ready.

"Is it right that everyone is offered the same document? Some people here believe that we should not sign such a document because, they say, mighty Russia should not sign just like other states. Well, I don't even know which is more prevalent here, ignorance or cheap arrogance. If we talk about the practical reason, well, then the situation is somewhat different. I had to have an urgent meeting with the U.S. secretary of state on an absolutely unrelated matter, namely Korea. We are such a huge country, and this is obviously acknowledged in this protocol. Eastern politics are as close to us as those of the West, because Korea is also near abroad for us, if you want. When one goes to Vladivostok, it becomes clear that if something happens on the Korean peninsula, bomb blasts will be heard there as well."

After a comment by program presenter Sergey Dorenko to the effect that Russia's present position with regard to NATO could equally be interpreted as a weakening of a formerly militant and harsh stance, or as a great diplomatic victory, Kozyrev concludes:

"There will be no economic G-8 summit this time, and I must say that we were ready for this. However, half of the entire agenda is already meant to include eight countries. I must say that after two years of Russia's existence in its new capacity, that is not a bad result."

Foreign Ministry Hopes for NATO Accord Signing

LD2006150394 Moscow INTERFAX in English 1339 GMT 20 Jun 94

[From the "Diplomatic Panorama" feature]

[Text] Moscow hopes that soon after the Foreign Minister Andrey Kozyrev signs the Partnership For Peace program in Brussels on Wednesday yet another program "Russia-NATO" will be signed.

As a senior foreign ministry official has recalled in an interview with INTERFAX, the "Russia-NATO" program was submitted to NATO's Headquarters just a month ago. "This substantive document mirrors our vision of relations with NATO, Russia's role and place in Europe and elsewhere. It would certainly be lovely to sign two programs at once, but the men at NATO will apparently need time to study the Russian proposals. So, we do not dramatize the situation, nor do we intend to spur events deliberately," the diplomat said.

He did not rule out that in Brussels Kozyrev and NATO leaders might sign a declaration of intent to promote cooperation and partnership. "We feel the Russia-NATO program could be the platform for that," he said.

Joint Russian-U.S. Military Exercise Called Off

LD2006163094 Moscow Radio Moscow World Service in English 1500 GMT 20 Jun 94

[Text] The joint Russian-American military exercises slated for early next month in southern Russia in the area

of the city of Orenburg have been cancelled. This was disclosed today by a spokesmen for the two sides.

Vladimir (Nikonorov), a spokesman for the Russian Defense Ministry, said that the cancellation was not his ministry's fault but was due to the resolution adopted by the Russian parliament's lower house, the State Duma. In his words, the Russian Government yielded to the pressure, although the idea itself had not been rejected.

Spokesman for the United States embassy in Moscow, Michael McClellan, said the joint exercises are postponed and work is currently underway to determine a fresh date. He expressed hope that these would still take place in Russia elsewhere, possibly in autumn.

Naval Exercises Held Near Vladivostok

LD2006210894 Moscow Mayak Radio Network in Russian 1830 GMT 20 Jun 94

[Text] In the Far East, 20 miles to the south of Vladivostok, the Russian-U.S. naval exercises Cooperation at Sea '94 are taking place. According to the Russian Navy press center, the exercises include work on joint actions to aid people caught in calamitous circumstances.

The United States is being represented by the landing craft Dubuque with 250 marines aboard. The marines are headed by Rear Admiral John Seagler, commander of amphibious forces for the Western Group of the U.S. 7th Fleet. The Russians taking part consist of a large landing craft of the Pacific Fleet and 180 marines.

Rear Admiral Nikolay Kocherginin, commander of the Association of Pacific Fleet Landing Craft, is responsible for the general supervision of the exercises, which will continue until 23 June.

Naval Exercise Starts in Pacific

LD2006145294 Moscow INTERFAX in English 1306 GMT 20 Jun 94

[Text] A joint Russian-American naval exercise for aiding the civilian population in the case of a natural disaster started near Vladivostok on June 20. The Russian Pacific Fleet detached a large landing ship and 180 marines for the exercise managed by Rear Admiral Nikolay Kochergin, commander of the fleet's landing ship unit.

The U.S. is represented by a landing-helicopter-carrying ship Debuc with marines and 12 boats under the command of Rear Admiral John Siegler.

Officers in the Russian navy's press center told INTERFAX that the ships were already in the area where the exercise was to be carried out and would start the "humanitarian landing" at 7:00 local time on June 21.

Freeh Visit Denotes 'Friendly Terms' of Links With FBI

PM2006124194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jun 94 p 1

[Report by Stanislav Kucher under "Foreign News" rubric: "FBI Chief To Visit Us"]

[Text] FBI Director Louis Freeh will be visiting Moscow from 3 through 6 July (incidentally, he will also celebrate American Independence Day here) at the official invitation of Internal Affairs Minister Viktor Yerin. During the visit he will take in various Russian Federation MVD [Ministry of Internal Affairs] structures, the Russian Justice Ministry, the General Prosecutor's Office, the Federal Counterintelligence Service, and the Foreign Ministry with his assistants and advisers, and will also be talking to students at the MVD Academy. The signing of a protocol on opening an official FBI office in Moscow is also scheduled. The "G-men" will have their own office on a floor of the U.S. Embassy equipped with the most modern methods of communicating with Washington.

"We have been on friendly terms with the FBI for three years now," Mikhail Yegorov, chief of the Russian Federation MVD Main Administration for Combating Organized Crime, said. "We are cooperating in the fight against the mafia, which operates in both Russia and the United States. Currently our administration is pursuing over 30 criminal cases with the FBI—we are investigating the activity of 30 Russian criminal groups closely linked to the American mafia, mainly in the sphere of major financial irregularities. We are looking for both the criminals and 'dirty' money leaving our country. In Moscow we will discuss tactics for joint work and summarize the results of what has been done."

The upcoming meeting is not the first in the history of the MVD and FBI. There were such meetings the year before last and last year, and this past winter Yegorov "went to the States himself."

United States Leads West in Joint Ventures

MK2106081094 Moscow SEGODNYA in Russian 21 Jun 94 p 2

[POSTFACTUM report: "United States Leads in Creating Joint Ventures in Russia"]

[Text] It has been reported at the Russian Federation Ministry of Foreign Economic Relations that U.S. entrepreneurs lead Western investors in the creation of joint ventures on Russian territory. Thus far, 1,400 joint ventures with the participation of American capital have been created in Russia with private investments reaching $400 million and more than 300 firms having opened their offices.

Petroleum Club To Promote Joint Projects

LD2106101094 Moscow ITAR-TASS in English 0957 GMT 21 Jun 94

[By ITAR-TASS correspondent Pavel Vanichkin]

[Text] Washington June 21 TASS—The establishment of a Russian-American petroleum club—a new nongovernmental and nonprofit organisation—was announced by Yuriy Shafranik, Russian minister of fuel and power, here on Monday.

This organisation will promote an accelerated development of Russia's petroleum sector and establish cooperation between Russian and American companies, Shafranik told ITAR-TASS.

One of the main tasks of the club will be to establish direct contacts between large petroleum companies of the two countries, which will render unnecessary go-betweens which quite often only discredit joint projects, he said.

"Yet another project which, I hope, will be discussed within the framework of the club envisages transition from the sale of American oil-well equipment to Russia to its manufacture in our country.

"With the availability of relatively small financial resources, the Russian side can turn out a very large array of such equipment at defence-industry enterprises subject to conversion to civilian production. Large American petroleum companies support this idea," the minister said.

Final details of the work and organisational structure of the club are to be discussed in the coming days within the framework of the Russian-U.S. intergovernmental commission for economic and technological cooperation, Shafranik emphasised.

The club is expected to include directors of petroleum and investment companies of the two countries. Its headquarters is to be in Moscow and its missions will be located both in Russia and the U.S.

Shafranik also mentioned as very important events at the forthcoming session of the bilateral commission the final stage of discussion and a probable signing of an agreement under a Sakhalin-2 project which will for the first time give access to Russian oil- bearing shelves to an international consortium.

DPRK Conditionally Agrees to Carter Plan

LD2006140494 Moscow INTERFAX in English 1306 GMT 20 Jun 94

[Text] Pyongyang will agree to former U.S. President Jimmy Carter's plan concerning its nuclear program if a comprehensive solution is found to all other problems, North Korean Ambassador to Moscow Son Sung-pil told the State Duma's international affairs committee on Monday.

He said that after consultations in Pyongyang and a telephone conversation with Washington officials, Carter had unveiled a plan for a U.S. rejection of sanctions against North Korea and the resumption of bilateral talks broken off in March. Simultaneously, Son said, Washington has agreed to provide to North Korea a technology for a nuclear reactor working on light water.

If the plan works, North Korea will fully comply with the nuclear non-proliferation treaty though IAEA's inspection of its nuclear installations will be impossible while the negotiations are under way, he said.

At the same time, the ambassador warned that his country would take proportionate, but strong measures in response to any international sanctions which would be seen as "a declaration of war and would respond accordingly."

On the Russian Foreign Ministry's initiative for an international conference on the issue, Son said his country had "a certain interest" in it. However, "we cannot accept it" if the forum is intended to try to bring pressure on North Korea, the ambassador said.

Son spoke of holding a series of talks with the Russian Foreign Ministry to try to get the details of the conference proposal.

DPRK Wants Nuclear Talks 'On Our Terms'

PM2106081194 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 21 Jun 94 p 1

[Report by Yelena Afanasyeva under the "Chuche" rubric: "North Korea Has Promised 'an Eye for an Eye...'"]

[Text] "We will respond to war with war! Our countermeasures will depend on the sanctions applied by the United States and other countries," Son Song-pil, North Korea's ambassador to Russia, declared yesterday at a session of the State Duma Committee for International Affairs.

The Korean representative called the whole Korean nuclear question "nuclear suspicions invented by the Americans," while the Treaty on the Nonproliferation of Nuclear Weapons, according to him, is "aimed at destroying North Korea's socialist system and the republic as a whole."

According to the ambassador's statement, North Korea wants to resolve the problem peacefully but, given the slightest pressure or threats from America or other states, Kim Il-song's country is prepared to counter one blow with another.

The DPRK's official representative took a great dislike to the Russian foreign minister's Friday Duma speech and to the 10 June Kozyrev-Christopher joint news conference, at which the possibility of the simultaneous

introduction of sanctions and holding of a peace conference on Korea was reported.

"There can be no question of simultaneous sanctions and a conference," Comrade Son Song-pil said, at the same time adding that the DPRK is seriously considering the Russian proposals and that meetings have already been held with representatives of the Russian Foreign Ministry.

According to the ambassador's report, during his stay in the DPRK ex-President Carter conveyed U.S. proposals which include the U.S. abandonment of sanctions, the provision of a light water reactor to the DPRK through third countries or through international organizations, and consent to a third round of U.S.-North Korean talks.

"If these conditions are fulfilled, Korea is prepared to keep inspectors at the nuclear installations. But a full-scale inspection cannot be carried out during the talks, since this would signify the DPRK's return to the Nuclear Nonproliferation Treaty," the ambassador declared, resolutely emphasizing: "If the talks are held on our terms, the nuclear problem will be removed!"

Envoy Says DPRK 'Ready'

LD2006143394 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 20 Jun 94

[From the "Novosti" newscast]

[Text] North Korea is ready for a third round of talks on the nuclear problem, the DPRK ambassador in Moscow stated today at a closed sitting of the Russian State Duma's Committee for International Affairs. The ambassador said abandonment of the imposition of economic sanctions against the DPRK is a condition for talks to begin.

Clinton Policy Adviser on Failure To Consult With Russia

PM2006131594 Moscow ROSSIYSKAYA GAZETA in Russian 18 Jun 94 First Edition p 1

[Report from ROSSIYSKAYA GAZETA, ITAR-TASS "Yesterday, Today, Tomorrow" column: "Another Failure To Consider Russia"]

[Text] Eminent U.S. political scientist Robert Manning, who took part in drafting the Clinton administration's policy toward the DPRK, has advocated "closer" coordination of actions between the United States and Russia in settling the nuclear problem of North Korea.

"I am critical of the fact that the U.S. Administration has failed to consult more closely with Russia on the subject of the North Korean problem," he stated in an interview with an ITAR-TASS correspondent. "Russia does not want nuclear weapons on the Korean peninsula, nor does it want war to break out as a result of the collapse of the North Korean regime."

The expert criticized the aims which the U.S. Administration is pursuing in respect of North Korea. In his view, the application of sanctions prior to presenting the North Koreans with a clearly crafted package of specific proposals would be a mistake.

Duma Committee, DPRK Envoy on Korean Situation

LD2006200194 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 20 Jun 94

[Text] The Committee for International Affairs discussed the situation on the Korean peninsula at the Russian State Duma today. Son Sung-pil, the North Korean ambassador to Russia, spoke to deputies.

[Correspondent Ivan Trefilov] North Korea will meet war with war, and the specific measures will depend on the particular sanctions that the world community takes against the republic, the North Korean diplomat said. At the same time, the DPRK is willing to come to talks at any time and to settle the nuclear problem peacefully. In this connection, North Korea has manifested some interest in the proposal by the Russian Ministry of Foreign Affairs for an international conference to be held on the nuclear problem of the Korean peninsula. However, if the conference is intended to bring pressure to bear, the DPRK will not be able to agree to this, the North Korean ambassador stressed.

In the diplomat's view, there has been some progress in settling the nuclear problem since the visit to the DPRK by former U.S. President Carter. The American visitor handed over an official U.S. proposal: the abandonment of sanctions; the supply to North Korea of light water reactors; and a third round of U.S.-DPRK talks. In return for this, the DPRK must retain international monitoring at its nuclear facilities.

In the view of the North Korean diplomat, this proposal could form the basis for a comprehensive settlement of the nuclear problem on the Korean peninsula.

Ivan Trefilov, for Ekho Moskvy at the State Duma.

DPRK Not To Accept Inspection While Talks Under Way

SK2106081894 Seoul YONHAP in English 0755 GMT 21 Jun 94

[Text] Moscow, June 21 (YONHAP)—North Korea will not accept full-scale international inspection of its nuclear facilities while talks with the United States are underway, a senior North Korean diplomat said Monday.

North Korean Ambassador to Russia Son Song-pil, while explaining his country's position on the continuing nuclear row to members of the Russian State Duma (House of Representatives) Foreign Affairs Committee, said that international nuclear inspections would never

be allowed until an across-the-board agreement on the issue was reached with the United States.

Pyongyang would not return to the Nuclear Nonproliferation Treaty (NPT) should international organizations fail to withdraw their move toward sanctions against it, Son added.

Son said, "economic sanctions, if taken against North Korea, will be regarded as a declaration of war...we will counter war with war."

Commentator Favors International Conference to Sanctions

SK2106025194 Moscow Radio Moscow in Korean 1000 GMT 20 Jun 94

[Commentary by station commentator Yuriy Solton from the "Focus on Asia" program, entitled: "Signs for Easing Tensions Have Begun To Appear"]

[Text] In connection with the possibility of resolving the nuclear issue on the Korean peninsula, station commentator Yuriy Solton writes:

A series of new signs for bringing an end to tensions on the Korean peninsula have begun to appear. Former U.S. President Jimmy Carter's recent visit to Pyongyang was successful in this respect.

During meetings with him, DPRK President Kim Il-song made a series of important assurances. This is represented by Pyongyang's intention to let the International Atomic Energy Agency inspectors continue their work in this country's nuclear facilities. The DPRK also proposed that its nuclear program be frozen during the third round of DPRK-U.S. talks and that North-South top-level talks be held. The response by Washington and Seoul to this overture was affirmative. However, some politicians of Washington and Tokyo expressed a variety of other views. Time will prove which view is correct.

However, what is clear today is a need not to hasten the implementation of sanctions. Russian Foreign Minister Andrey Kozyrev, who has well-informed sources, viewed that Pyongyang had no nuclear weapon. He also said that it would take three to seven years for it to do so.

Moscow worries that the Nuclear Nonproliferation Treaty [NPT] may be broken down. It worries so because in case one signatory withdraws from this treaty, there may be a chain reaction. The Russian foreign minister said that many other countries had been waiting for their turns.

Russia expressed its dissatisfaction at the United States, which had unilaterally and hastily distributed a draft resolution on sanctions in the UN Security Council. Such a resolution must include convening an international conference during which how to ensure a nuclear-free status on the Korean peninsula and ways to effectively ensure security in the North and South of Korea must be discussed.

The writer says: Today, when new signs for easing tensions on the peninsula have appeared, is convening such a meeting more practical than imposing sanctions?

Moscow Hopes For End of June Meeting on Bosnia

LD2006144994 Moscow INTERFAX in English 1339 GMT 20 Jun 94

[From the "Diplomatic Panorama" feature]

[Text] Moscow hopes that the second ministerial meeting for Bosnia is going to take place before the end of June. This was disclosed in a Monday interview with INTERFAX by a high-ranking official at the Russian Foreign Ministry.

The G-7 summit in Naples at the beginning of July is the deadline before the foreign ministers of Russia, the USA, Britain, France, Germany, Greece and Belgium must get together, the official said.

The diplomat hopes that technical matters can be resolved in a matter of days and the working schedules of ministers coordinated. "There is a more difficult problem, though. All possible actions of each of the conflicting Bosnian sides must be predicted", he said. The international community should have something in store, if one or both conflicting sides reject the plan approved during the first ministerial meeting.

Under the plan Bosnian Serbs should get 49 percent of the territory and the federation of Muslims and Croats 51 percent.

The Russian diplomat felt that Geneva would again host the ministerial meeting. "The leaders of the conflicting sides will evidently also be invited to Geneva. It is not clear, however, whether they are going to attend the meeting or whether the ministers will find another way of communicating with them", the official said.

Chernomyrdin Addresses World Gas Congress

LD2006133894 Moscow ITAR-TASS in English 1317 GMT 20 Jun 94

[By ITAR-TASS correspondents Aleksey Bukalov and Aleksey Golyayev]

[Text] Milan June 20 TASS—"Russia and Europe, Russia and the world have the broadest prospects for the development of versatile economic and political cooperation. We cannot live without one another," Russian Prime Minister Viktor Chernomyrdin said in his remarks at the opening ceremony of the 19th World Gas Congress here on Monday.

The Russian premier emphasised that Moscow expects specific proposals from the Group-of-Seven countries for cooperation in regulating flows of investments and elaborating adequate and specific mechanisms to encourage and insure them.

"Russia strives to be recognised a 'country with a transitional economy' by partners for the forthcoming G-7 summit in Naples and expects G-7 countries to make new specific steps to improve conditions for Russian commodities' access to external markets," Chernomyrdin said.

"I am confident that the G-7 turning into a G-8 would lead to fundamentally important and positive changes in the geopolitical balance and create new favourable conditions for Russia's full-scale participation in the world economic system," Chernomyrdin pointed out.

The World Gas Congress is being attended by about 5,000 delegates from 67 countries. They represent leading gas companies that determine gas-industry policy on a world scale. Russia, which now accounts for 36 percent of the world's reserves of natural gas holds a special place in this respect. Experts, politicians and diplomats, whom the Russian delegation meet at the congress, show a lively interest in the state of affairs in Russia.

Russia accounts for about 30 percent of the world's trade in gas, Chernomyrdin emphasised. The existence of large gas resources in eastern Siberia and on the Shelf of Sakhalin opens up possibilities for the export of gas to China, Japan, the Korean peninsula, the shipping of gas by tankers to the United States and other countries. Moscow is prepared to discuss proposals about foreign firms' participation in the development of gas and oil fields and in the construction of processing facilities, Chernomyrdin said. He pointed out the importance of reducing fuel losses during production and transportation, and described plans to build steam and gas-fired power stations in the European part of Russia.

Chernomyrdin toured the display stands of Gazprom and the Italian ENI fuel company at a specialised exhibition which has been timed for the World Gas Congress.

Invites Italy's Berlusconi to Visit Moscow

LD2006164994 Moscow ITAR-TASS in English 1539 GMT 20 Jun 94

[By ITAR-TASS correspondents Alexey Bukalov and Alexey Golayev]

[Text] Milan June 20 TASS—Italian Prime Minister Silvio Berlusconi met with visiting Russian Prime Minister Viktor Chernomyrdin in Milan on Monday to discuss bilateral relations.

The meeting became one of the key events in Chernomyrdin's schedule. The Russian premier is in Milan to attend the World Gas Congress.

Chernomyrdin said that the "treaty of friendship and cooperation between Russia and Italy is ready for signing." It is time for the head of the Italian Government to visit Moscow, he said.

Chernomyrdin's talks with Berlusconi is the first contact of the Russian leadership with the new Italian premier. The meeting gave good opportunities for a free exchange of views on bilateral relations and international issues.

The talks between Chernomyrdin and Berlusconi have started a new stage in Russia's contacts with the leaders of the leading industrialised countries following recent meetings with U.S. President Bill Clinton and German Chancellor Helmut Kohl in light of the upcoming G-7 summit meeting to be held in Naples in July which will be attended by Russia.

Further on Berlusconi Meeting

LD2006211794 Moscow Russian Television Network in Russian 1920 GMT 20 Jun 94

[From the "Vesti" newscast]

[Text] Following the two hour long talks and a dinner reception at the sumptuous villa of the head of the Italian Government today, Premier Viktor Chernomyrdin told journalists: Silvio Berlusconi is the most interesting man I have ever met. The conversation between the two men was very cordial and fruitful. Berlusconi accepted the invitation to come to Moscow on an official visit. In the course of the visit Russia and Italy will sign a friendship and cooperation treaty. According to Italian diplomats, the treaty envisages the kind of political and economic cooperation which Russia has only with Germany. Berlusconi assured Chernomyrdin that he would support Russia in her effort to join the group of seven developed nations, and generally do his very best to make Russia a leading country in the world scene.

In reply to the flattering remarks by Chernomyrdin, Berlusconi said that while engaging in personal cultural development he read more Russian than Italian writers. Today the Russian prime minister, who is now staying in Milan at the invitation of the Italian state oil company Eni, also took part in the 19th world congress on natural gas.

Chernomyrdin Ends Visit to Italy, Leaves for U.S.

LD2106075994 Moscow ITAR-TASS in English 0741 GMT 21 Jun 94

[By ITAR-TASS correspondents Aleksey Bukalov and Aleksey Golyayev]

[Text] Milan June 21 TASS—Russian Prime Minister Viktor Chernomyrdin concluded his two-day working visit to Italy today and left for the United States. He will take part in the third session of the Russian-U.S. intergovernmental commission for economic and technical cooperation.

U.S. Visit Previewed

PM2006205194 Moscow IZVESTIYA in Russian 21 Jun 94 pp 1, 3

[Report by Aleksandr Shalnev: "Russia Is Not Forcing Its Way Into G-7, Viktor Chernomyrdin States on Departure for Washington"]

[Text] The Russian premier made this statement at the airport prior to his departure for Italy, from where, having completed his one-and-a-half-day visit, he is proceeding across the Atlantic to the United States as you are reading these lines.

The question of transforming the G-7 into the G-8 is one of the key questions at both the talks held with the head of the Italian Government, who we know will chair the June G-7 summit in Naples, and at meetings in Washington, where Chernomyrdin's interlocutors will include President William Clinton, albeit (as the situation stands at the time of the departure from Moscow) with the qualification of "conditionally."

From the Russian premier's viewpoint Russia has "already progressed a long way" regarding the question of whether it will add itself to the G-7. But the official formation of the G-8 is a matter for the future which goes beyond the bounds of the Naples summit. "I see no difficulties as regards political questions," Chernomyrdin said, answering my question. "As for economic questions, we are not forcing our way in, we are perfectly well aware that there are difficulties on which we ourselves have some work to do today." When these difficulties have been overcome is when, as far as can be understood from the premier's comments, the G-7 will become the G-8. "This," he stressed, "is the next stage." True, Chernomyrdin did not specify whether Moscow hopes to overcome this obstacle by next year's summit scheduled in Canada.

In Washington, to where the premier is flying to participate in the third session of the Russian-U.S. economic and technical commission, which he heads jointly with U.S. Vice President Albert Gore, our delegation will strongly raise a question which has gone unanswered for too long: When do the Americans and the West as a whole intend to finally lift the restrictions on business contacts with us which persist from Cold War times? Let me recall that at the summit meeting in Vancouver in April last year Clinton solemnly promised to do this without delay. Over a year has elapsed. "This is simply unsettling us all," Chernomyrdin said. "Not only us but also the Americans are losing out because the restrictions are being maintained.... We want to work on equal terms, we are not asking for anything that would make us an exception. We have wishes, like everyone. Of course, we will not tolerate discrimination against Russia."

Although the premier did state that he hopes that a solution will nonetheless be found, I personally have doubts as to how serious the Washington administration and U.S. Congress are about this. The doubts are strengthened, in particular, by the U.S. Department of Commerce's recent statement, which defined the 10 most promising emerging markets from the viewpoint of U.S. interests. This list includes Brazil, Indonesia, India, Turkey, South Korea, and Poland. But not Russia. In order to promote U.S. interests in Indonesia, for example, a special strategic group has already been formed which includes representatives of 22 ministries and departments. In other words, if we are talking about the level of interest shown by the Americans, Jakarta has reached a level which is still unachievable for Moscow. Let me add that in relation to China, which is also on this list, Washington is prepared to waive literally any of its principles, including those linked to guaranteeing civil rights and freedoms, so that it does not lose this market and becomes established and prevails in it. But as for us this attitude is once again something unrealistic.

It must be specially stressed that the mood of U.S. business circles plays a colossal role in the extent to which the Washington administration is complaisant in its dealings with Beijing. The fact that Clinton effectively ignored human rights violations by the Chinese authorities and is going to renew China's most-favored-nation trading status is indicative of the powerful pressure put on the White House by, among others, the Boeing aviation corporation, which, were it not for this status, could have lost tens of billions of dollars. Those meeting with Chernomyrdin in the United States—who, besides Washington, will visit Detroit (in order, among other things, to support our team in the football World Cup) and Los Angeles and San Francisco—will include leaders of Boeing and other U.S. aviation giants. I wonder to what extent they are going to want to mount an intensive campaign of pressure on the White House in order to break into Russian markets and open up U.S. markets for Russian products.

Another noteworthy point on the Russian premier's itinerary: the Livermore Laboratory, the very same one where the most advanced weapons, including nuclear and space weapons, have been and are still being developed. Chernomyrdin will become the first Russian of such high rank to visit this laboratory, in order—as far as can be ascertained—to thoroughly discuss questions of defense conversion and those about which he prefers not to talk for the moment. "We are discussing those problems," he just told me, "about which it was prohibited to think previously." It is to be hoped that some light will be shed on this subject as well by the end of the visit.

U.S. reporters who accompanied the premier to the airport asked a question which evidently interests U.S. politicians much more than the visit itself at the moment: Are there any differences of opinion between Chernomyrdin and Boris Yeltsin? The reply was categorical: "There are no differences between us. There were not any initially, there are none now, and there will be none. It is impossible to work in the midst of differences. The line being pursued by the government and president is a united line. I better than anyone else can confirm this today."

Further on U.S. Visit

LD2106090694 Moscow ITAR-TASS in English 0758 GMT 21 Jun 94

[By ITAR-TASS correspondents Pavel Vanichkin, Oleg Velichko and Vitaliy Chukseyev]

[Text] Washington June 21 TASS—In the coming four days almost a half of Russian cabinet members, led by Prime Minister Viktor Chernomyrdin, will be in the United States attending a regular session, the third one, of the Russian-U.S. Intergovernmental Commission for Economic and Technological Cooperation.

The commission formed last year under the Vancouver accords reached by Presidents Boris Yeltsin and Bill Clinton in spring 1993, is co-chaired by U.S. Vice-President Albert Gore and Russian Premier Chernomyrdin who arrives in Washington on Tuesday from Milan where he attended the World Gas Congress.

The commission's session promises to be quite intensive and productive. The first two sessions were held in Washington and Moscow last year.

About twenty documents on bilateral cooperation in various fields are to be signed as a result of the session, Mikhail Tarasov, assistant to the Russian premier, told ITAR-TASS.

There is every indication that the most important one will be a package of agreements to integrate Russia into the international programme for the development of an Alpha space station.

It is expected in particular that during the session NASA and Russian Space Agency chiefs Daniel Golding and Yuriy Koptev will sign a contract worth a total of 400 million U.S. dollars for the operation of the Russian orbital station Mir during the first phase of the Alpha project.

A concept, worked out by the two countries' experts, of Russian participation in creating a new-generation orbital station has already been endorsed by all other participants in the programme, including space agencies of Europe, Japan and Canada. An agreement in principle has been reached in particular to launch a Russian power module in 1997, Tarasov said.

The Russian premier's assistant also spoke about the possibility that agreements will be signed to shut down reactors for the production of plutonium and cease using it for the production of nuclear weapons. However, Tarasov specified, there is no full confidence so far that such a document will be signed in the coming days because the sides still adhere to different approaches to the question of compensation for the regions where reactors subject to shutdown are located.

Much interest is being generated by the forthcoming meeting between Chernomyrdin and World Bank President Lewis Preston and International Monetary Fund (IMF) managing director Michael Camdessus.

It has become known from informed sources that the Russian premier's conversation with the World Bank president is expected to result in the signing of four agreements to grant credits to Russia amounting to a total about 800 million U.S. dollars.

According to preliminary information, no agreements are planned to be signed during the Chernonyrdin-Camdessus meeting.

However, informed sources told ITAR-TASS that the IMF chief recently spoke about the possibility of granting the IMF's so-called standard credit to Russia in the near future. It is precisely this matter that is expected to dominate the talks.

On June 23, on the final day of the commission's session, a meeting between Chernomyrdin and President Bill Clinton is to take place in the White House, with the Russian premier doing his best to persuade the U.S. President into granting Russia the status of country with a transitional market economy and finally abrogating the Jackson-Vanik amendment to the trade act.

The Chernomyrdin-Clinton meeting will also be an important stage of preparation for Russian President Boris Yeltsin's forthcoming visit to the United States in autumn.

Apart from staying in the U.S. capital, Chernonyrdin is planning to visit Detroit, Michigan, to familiarise hinself with the operation of the General Motors technological centre on June 24 and even test one of the newest vehicle models.

On the same day the Russian premier intends to attend a Russia- Sweden match at the World Cup finals.

Rybkin Expects 'Upswing' in Relations With Germany

MK2106063094 Moscow SEGODNYA in Russian 21 Jun 94 p 2

[Aleksey Kirpichnikov report under the "Cooperation" rubric: "Speaker Flies Back From Germany. He Approves Struggle Against Gangsters"]

[Text] Ivan Rybkin, who has just returned from Germany, has reproached Boris Yeltsin for his failure to submit a bill on additions and amendments to the Criminal Procedural Code to the State Duma before issuing the edict on the struggle against gangsters was issued. The lower chamber could have "adopted such a law within one day," the speaker emphasized, calling the presidential edict "necessary." In so doing, he cited the experience of other countries and politicians in setting similar precedents, including that of the United States

and Franklin Roosevelt, who would probably have turned in his grave from surprise, had he heard Mr. Rybkin's arguments.

It has become clear from the speaker's account of the State Duma mission's trip to Germany that it worked on matters of cooperation at three levels: European, interstate, and interparliamentary. At the meeting with Bundestag President Rita Suessmuth the two sides discussed cooperation within the Council of Europe and the CSCE. In particular, Mr. Rybkin pointed to the possibility that a conflict could have irreparable consequences because of the UN peacekeeping mechanism's unwieldiness, and spoke in favor of using the CSCE mandate in Europe's "hot spots."

As for interstate relations, the main event of the year will be the withdrawal of Russian troops in August. Mr. Rybkin pointed out that this matter is very sensitive for Russian public opinion, adding, however, that when he met with German Defense Minister Volker Ruehe they managed to reach agreement on releasing the second part of the credit, sufficient to build 28,000 apartments for Russian servicemen returning to their home country. The State Duma speaker believes that the pullout of the Russian troops will be followed by an upswing in Russian-German cooperation, because both sides are going through similar processes of renewal.

Strange as it might seem, Vladimir Lukin, chief of the Committee on International Affairs, was just as optimistic: In his view, a chill would not serve German interests. Thus both State Duma leaders echoed the opinion expressed by Helmut Kohl and Boris Yeltsin last May. Let us hope they are right....

Communication between the parliaments will from now on also be maintained at the level of their internal structures: An operational plan of cooperation has been drawn up and direct contacts between State Duma committees on defense, international affairs, and organizational matters with their Bundestag counterparts are envisioned.

Rybkin Delegation Returns From Berlin

LD2006054194 Moscow ITAR-TASS in English 0512 GMT 20 Jun 94

[Text] Moscow June 20 ITAR-TASS—A delegation from the lower house of the Russian parliament led by Duma Chairman Ivan Rybkin returned home from Berlin on Monday.

On Sunday, Rybkin addressed representatives of the Berlin assembly of deputies in the castle of Charlottenburg. He said Russia and Federal Germany were both in the process of renewal, which, despite many differences, was much alike in both countries. This is particularly true about east Germany, which opens perspectives for cooperation and interaction.

Rybkin stressed that "cooperation with Germany is of great importance for us in the period of complex economic changes in Russia".

According to Reinhard Fuehrer, deputy chairman of the Berlin assembly, the visit of the Russian delegation is seen by the German side as a contribution to the development of current and the beginning of new contacts between the two states at the parliamentary level.

FRG Grants Loan for Housing Construction

LD2006205994 Moscow 2x2 Television in Russian 1940 GMT 20 Jun 94

[Text] The FRG Government has fulfilled its promise to grant Russia a favorable loan of 500 million German marks for the construction of housing for servicemen. A third of this sum has already been allocated previously, and Russia will receive the rest before the end of the year. Agreement on this was reached during the current visit to Germany by a delegation of the State Duma, led by its Speaker Ivan Rybkin, which ended on Sunday.

Yeltsin To Sign Treaty With European Union

LD2006141994 Moscow INTERFAX in English 1355 GMT 20 Jun 94

[Text] On Monday the Russian Deputy Minister for Foreign Economic Relations Georgiy Gabunia told INTERFAX that Russia and the European Union have reached agreement on a draft treaty for partnership and cooperation and on Tuesday the document is expected to be formally approved by the EU Council.

President Boris Yeltsin and the leaders of EU countries plan to sign the document in Corfu, Greece on Friday.

According to Gabunia, the package of documents related to the treaty, including a joint declaration and letters of exchange, consists of some 100 typewritten pages. Under the treaty the European Union will recognize Russia as a country with a transitional economy, not one with a state-run system of trade.

Gabunia said that talks on the agreement have been going on for two years. The section on trade in commodities has caused the greatest difficulties. The sides decided to offer each other most- favored-nation status in trade. The treaty has sections regulating business and investment activities, in particular the formation and operation of companies, the flow of capital and payments. It describes cooperation in finance, economy, culture and crime- prevention.

The implementation of the agreement will be controlled by a Cooperation Council formed of high-ranking government officials: ministers or deputy prime-ministers. Under the draft the council is to assemble onece a year. Routine control will be carried out by a Cooperation Committee consisting of officials of a lower rank and experts.

Cypriot House Delegation Meets Kozyrev

NC2006152594 Nicosia Cyprus Broadcasting Corporation Radio Network in Greek 1500 GMT 20 Jun 94

[Text] Russian Foreign Minister Andrey Kozyrev said that his country is interested in a just solution to the Cyprus issue and is studying the channeling of its efforts in this direction.

Kozyrev's statement was made today during a meeting with House of Representatives President Alexis Galanos and the members of the parliamentary delegation visiting Moscow. Galanos asked for Russia's support for convening an international conference, for an investigative visit to Cyprus by the UN Security Council and for the proposal on disarmament in Cyprus. Galanos noted that Russia can play a counterbalancing role on the Security Council.

Further on Kozyrev-Galanos Meeting

LD2006201994 Moscow ITAR-TASS World Service in Russian 1839 GMT 20 Jun 94

[By diplomatic correspondent ITAR-TASS Dmitriy Gorokhov]

[Text] Moscow, 20 Jun—When Andrey Kozyrev received Alexis Galanos, chairman of the Cypriot House of Representatives, at the Russian Federation Foreign Ministry on 20 June, he said that the development of Russian-Cypriot dialogue was "very active." The present round of a regular exchange of opinions, which is taking place with the participation of the representatives of both the executive and the legislative powers, followed the talks between the Russian foreign minister and Cypriot Foreign Minister Alexandros Mikhailidhis, who visited Moscow during the first 10 days of June.

Kozyrev believes that the process of a comprehensive development of relations between the two countries is in keeping with the current "revival of spiritual and historical aims of Russia's foreign policy." Moscow and Nicosia have a similar point of view on many international problems. The head of the Russian diplomacy said, in particular, that they were going to continue providing assistance in the settlement of the Cypriot problem. In this instance, he said, the parties had a chance to compare their views and found out that their actions were similar.

Galina Sidorova, political adviser of the Russian minister, said to journalists that Nicosia acknowledged Moscow's positive role in the Cypriot settlement once again during the talks. One of the topics of conversation was a report prepared by the secretary general of the United Nations, which spells out all the aspects of the problem and proposes a plan of action that the world community could take in this matter.

According to her, Nicosia has taken a positive stance with regard to Russia's joining the Council of Europe. Beginning in November, Cyprus will be chairing the foreign ministers committee of the Council of Europe, and our partners have stressed their determination to facilitate this process.

Kozyrev, Greece's Papoulias Hold Talks in Moscow

LD2006211094 Moscow Russian Television Network in Russian 1600 GMT 20 Jun 94

[From the "Vesti" newscast]

[Text] Today in the Foreign Ministry building on Smolensk Square, Andrey Kozyrev, head of Russia's foreign policy department, met his Greek colleague Karolos Papoulias. During the meeting, the sides discussed a number of questions of Russian-Greek relations and some details regarding the coming visit of Russian Federation President Boris Yeltsin to Greece, which is to take part in the session of the heads of state and government of the European Union.

Gaydar Seeks Interparty Cooperation in Japan

LD2106082494 Moscow ITAR-TASS in English 0747 GMT 21 Jun 94

[By ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo June 21 TASS—Russia's Democratic Choice (RDC) party believes that the territorial problem in relations with Japan "is a long-term task which has no easy solutions", RDC chairman Yegor Gaydar told ITAR-TASS. He arrived in Tokyo on Monday for a private visit to discuss ways of cooperation between the RDC and Japan's largest opposition Liberal-Democratic Party (LDP) and attend an international seminar on investment problems. He was due to meet with members of the LDP and Japanese Foreign Ministry leadership on Tuesday.

"While recognising the existence of a territorial problem, we consider that any approaches to its solution should be based on the results of the Russo-Japanese summit talks in Tokyo in autumn last year," Gaydar pointed out. He expressed an opinion that the problem could be resolved only when public consensus develops in Russia and Japan on how that could be done.

Touching upon the RDC's foreign contacts, Gaydar said the party intends to conclude cooperation agreements with a number of foreign parties, similar to that which was concluded with the Japanese Liberal-Democratic Party last week.

"Strengthening political ties with those political forces abroad, which are interested in a normal development of Russia, is an important element of our calm work to overcome xenophobia in Russia and to counter ideas, which are being spread in the country by some of our political opponents, about some conspiracy against Russia and her isolation in the world," Gaydar said.

"We attach much importance to developing contacts with Japan and regard the LPD as one of our serious and long-term partners," the RDC chairman pointed out.

"The conclusion of an agreement with the LDP is not linked with hopes to get financial support from it," he said. "We may not permit ourselves to make use of financial support from foreign political parties and intend to build our relations with them on the basis of equal partnership," Gaydar said.

The RDC chairman said "Russia will succeed in maintaining political stability within at least the next six months despite the existence of forces which are interested in destabilising the situation in the country".

Deputies Warn of 'Treacherous' U.S. Plans for Golan

MK2106065094 Moscow SEGODNYA in Russian 21 Jun 94 p 2

[Mikhail Lantsman report in the "Lobby" column: "Duma Deputies Rise to the Defense of the Golan Heights. Near East Is Warned About U.S. Aggression"]

[Text] A group of State Duma deputies has warned of a dangerous course of events in the Near East threatening Russia's national interests. In a message to lower chamber speaker Ivan Rybkin and Russian Federation Foreign Minister Andrey Kozyrev the deputies analyzed the "true reasons" which prompted U.S. President Clinton's administration to force Israel to retreat from the Golan Heights captured in 1967.

The conclusions the deputies came to are worrying to Russia, Syria, and Israel. The strategic goal of a peaceful settlement according to the U.S. prescription, Duma deputies believe, is to turn the Golan Heights into a military base for the deployment of rapid reaction forces. As a result of this Israel will become totally dependent on the United States; Syria and other Arab countries, such as Egypt, will be included in the sphere of American policy while Russia, together with its great-power status, will lose lucrative arm markets. In order to avert the treacherous U.S. plans, the deputies asked the Russian Foreign Ministry to step up its influence on the process of peace settlement. The deputies believe that U.S. and Russian armed forces should be excluded from a possible UN peacekeeping contingent in the Golan Heights in the event that Israeli-Syrian accords are reached.

The group of defenders of the Golan Heights against U.S. expansion includes 33 deputies who signed the message. The signatories include Sergey Baburin, Viktor Ilyukhin, Yuriy Vlasov, Vasiliy Lipitskiy, and members of the communist faction and Zhirinovskiy's Liberal Democrats. The drive is spearheaded by National Republican Party leader Nikolay Lysenko.

On 17 June the State Duma rejected Lysenko's proposal to include the Golan Heights issue on the agenda. Nonetheless the results of the voting (more than 80 in favor) showed that the number of Russian defenders of the Golan Heights has grown.

Defense Spokesman on Airlift for Abkhaz Peacekeeping

LD2006144894 Moscow INTERFAX in English 1356 GMT 20 Jun 94

[Text] The planned air-lifting of the personnel and materiel of two Russian peace-making battalions to the Georgian-Abkhaz conflict zone will require 60 aircraft sorties. This was reported to INTERFAX on Monday by the command of the Russian military transport aviation.

Ilyushin-76 and Antonov-22 planes are to carry the battalions formed on the basis of two peace-making divisions stationed in Leningrad and Volga military districts.

At the Defence Ministry INTERFAX was told that two more battalions from the Russian contingent in the Caucasus are expected to enter the zone on their own vehicles.

Deputy Defence Minister Grigoriy Kondratyev denied reports about the possible participation in the operation to separate conflicting sides formations of the 345th Air-Borne Regiment stationed in Gudauta. He said the regiment would be used only for guarding the joint staff of the peacekeeping force in Sukhumi.

At the end of last week engineering units were transferred to Abkhazia, in particular sappers and a signal office. This required 15 flights of Ilyushin-76 and Antonov-22 planes.

Officials at the ministry stressed that this is only a preparatory stage of the peacekeeping operation: the area is being clear of mines and communications established between the staffs of the peacekeepers, Georgians and Abkhazians and the UN mission in Georgia. The operation to separate conflicting sides can begin only after the Russian Council of the Federation passes an appropriate resolution. The upper house of the Russian parliament is to discuss the matter on Tuesday.

More Aid Sent To Tanzania for Rwandan Refugees

LD2006204594 Moscow 2x2 Television in Russian 1940 GMT 20 Jun 94

[Text] Two Ruslan planes will fly to the African continent today. They will deliver to Tanzania 20 KamAZ trucks. Transport detachments of the Ministry of Emergencies of the Russian Federation have been working in that country since 20 May, delivering international humanitarian cargoes to Rwandan refugees. Now three Russian detachments will be working in Tanzania under the aegis of the United Nations.

Tajik Opposition Suspected of Attempt on Moscow Official

MK2106071594 Moscow NEZAVISIMAYA GAZETA in Russian 21 Jun 94 p 2

[Unattributed untitled report]

[Text] According to the investigation's theory, the attempt on the life of Moscow City Duma Deputy Nikolay Moskovchenko was made by persons from the Tajik antigovernment opposition, informed sources in the Moscow prosecutor's office have disclosed. According to a source, the suspects were in Moscow as part of a criminal gang connected with the drugs and arms trade. Composite pictures of some of the gang members suspected of the crime have been compiled, and a Russia-wide hunt for them is under way. "We know who we are looking for, but it will not be easy to catch them because they are migrant elements, and by now they may already be in Afghanistan," the source pointed out.

Rybkin Condemns Human Rights Violations in Baltics

LD2006145394 Moscow INTERFAX in English 1339 GMT 20 Jun 94

[From the "Diplomatic Panorama" feature by correspondents S. Kolosova, Igor Porshnev, and others]

[Text] The Duma's Speaker Ivan Rybkin has denounced as vicious the Baltic governments policy of violating the rights of ethnic minorities. The formation of states for just one privileged ethnic group has always involved violence, he said to a group of Russian journalists who accompanied a Russian parliamentary delegation on its official tour of Germany June 15-19.

He reported that the issue on human rights in the Baltic states had been repeatedly raised during the visit. "Russian lawmakers believe it's inadmissible to connive with the flagrant violation of the civil rights of ethnic minorities in the Baltic republics, and the influence of Germany on this matter could be significant," he remarked.

In his words, although ethnic Russians, in fact, make up the majority of the populace in such Estonian towns as Kohtla-Jarva, Narva, and Sillamae, they have no representatives in parliament. Nor do they have any say in local decision making.

He reported that the German side had voiced some anxiety at the Russian peace-keepers deployment in Abkhazia and Karabakh.

In his view, there is no reason for trouble since Moscow's decision was prompted by direct requests from the Georgian, Armenian, and Armenian legislatures "to disengage the warring factions. "We cannot stay aside", he stressed.

At the same time, he noted that Russia could control these states by slashing credits for them. He recalled that at a bill had been passed to limit credits abroad (the bulk of them to CIS countries) by 400 million dollars this year. "The figure means decimated credits. We do not want to finance war even indirectly," he said.

International Experts To Help Utilize Liquid Nuclear Waste

LD2106083794 Moscow ITAR-TASS in English 0749 GMT 21 Jun 94

[By ITAR-TASS correspondent Yevgeniy Lents]

[Text] Vladivostok June 21 TASS—The world community's attention is focussed on problems of utilising liquid radioactive waste in the Russian Far East. An international commission, consisting of leading Japanese and British experts, arrived in the capital Primorye today.

The imposing delegation is lead by Jun Yamada, deputy head of the atomic energy department in the Japanese Foreign Ministry. During its three-day sojourn the experts will hold talks with the administration of the territory, specialists of the State Atomic Energy Directorate and the Pacific Fleet command, and will also pay a visit to the "Zvezda" nuclear submarine dismantling plant in the city of Bolshoy Kamen. On the basis of the results of its visit, the commission intends to propose to local authorities and the navy command ways to resolve problems of untilising liquid radioactive nuclear waste.

Political Issues

Yeltsin Refuses To Suspend Edict on 'Gangsterism'

LD2006140594 Moscow ITAR-TASS in English 1346 GMT 20 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 20 TASS—Russian President Boris Yeltsin will not suspend his decree on fighting gangsterism in Russia, presidential chief of staff Sergey Filatov said on Monday.

Filatov told ITAR-TASS that despite the State Duma's recommendation to suspend the decree on urgent measures to protect the population from gangsterism, "Boris Yeltsin has no intention to backtrack from his decision."

Commenting on the president's aides' position, Filatov said that "for two years there have been the talks about the need to fight crime, but anti-crime legislation has not moved a step forward." The last few years have been marked by the thriving of such dangerous forms of crime as terrorism and gangsterism. Criminal gangs have brought society to the verge of war. People are losing confidence and faith that bodies of power can protect them, he said.

Filatov believes that the decree is very timely.

Explaining why the president allowed the police to detain suspects for 30 instead of three days as envisaged by the current criminal code, Filatov said that not less than 50 per cent of crimes are committed by outside hoods. But 72 hours are not enough to find evidence and trace criminal groupings. Criminals go abroad and avoid the inevitability of punishment. A 30-day detention will allow (the police) to bring the majority of criminal cases to court.

At the same time, Filatov did not hide his concern that the implementation of the decree may cause human rights abuses. To minimise the possible negative impact of the decree, Filatov suggested strengthening the role of the public prosecutor's office, the Russian High Commissioner for Human Rights and the Russian Presidential Commission for Human Rights.

Filatov said that the leaders of Russian regions have supported Yeltsin's measures to fight organised crime.

Interior Ministry Official Explains Edict

LD1706193094 Moscow INTERFAX in English 1608 GMT 17 Jun 94

[Text] The critics of the Russian president's decree on combating crime view some of its provisions abstractly, apart from the goals pursued by the document, the first deputy chief of the Interior Ministry's department for combating organized crime, Gennadiy Chebotarev, told Interfax.

For instance, the provision concerning the lifting of such obstacles, as banking or commercial secrets, will be applied only toward criminal groups, said Chebotarev. "The decree does not stipulate that from now on there will be no banking or commercial secrets at all," he noted.

According to Chebotarev, "false advice notes whose worth exceeds one billion dollars continue to circulate in the country." "Over two thousand such notes were issued in Dagestan alone; about 700 figure-head firms led by nonexistent people were established there," he said. "Such machinations must be stopped promptly, and provisions of the presidential decree will be used in precisely that direction."

The decree might contribute to enhancing the endeavors to protect the population in real terms, Chebotarev said. "Measures designed to combat crime, in particular inspections of cars, will inconvenience people, but such actions are necessary, since a vast stream of weapons flows into Russia from abroad," he said.

"Arms from Estonia, from Tajikistan, from the North Caucasus and from Trans-Caucasus are spreading across the country, and in these conditions such simple measures of precaution, as inspections of cars and trucks, present nothing new," Chebotarev pointed out.

He dismissed the possibility that, granted the opportunity to detain those suspected of having committed crimes for 30 days, the police will abuse its power. "The decree stipulates that for the prosecuting authorities to get involved: sufficient evidence proving the given person's involvement in organized crime will have to be submitted to the prosecutors in order to get their warrant," Chebotarev said.

To carry out the decree the law-enforcement agencies will analyse the data concerning gangs acting in Russia and take steps to expose them. "At present we are aware of more than 5,000 criminal groups acting throughout Russia," Chebotarev said.

"They have the opportunity to give up their criminal activity, of course, and I think that the preventive importance of the decree is also great," Interfax's interviewee said.

Rutskoy Criticizes Edict

LD1706173294 Moscow NTV in Russian 1500 GMT 17 Jun 94

[Text] President Yeltsin's edict on fighting banditry and organized crime is accumulating an ever larger number of opinions. Former vice president Aleksandr Rutskoy, the famous champion of the fight against corruption, has not remained on the sidelines. Presently in Krasnoyarsk, Rutskoy, chairman of the Russian Social Democratic People's Party, has criticized this edict. One of his arguments is: Name me a single document which could be implemented, Rutskoy said in an interview to a RIA correspondent. Rutskoy believes that the edict has not

been thoroughly worked out, and not only violates human rights, but is contradictory to legislation. With the aid of the edict, the authorities intend to drive society into a condition of total pathological fear, Rutskoy said.

'Memorial,' Entrepreneurs on Crime Edict

MK1806130994 Moscow NEZAVISIMAYA GAZETA in Russian 18 Jun 94 p 2

["NG" report under the "Repercussion" rubric: "Yeltsin's Edict Excites Emotions. 'Memorial' and Russian Union of Industrialists and Entrepreneurs Make Statements"]

[Text] In its statement, the "Memorial" human rights center believes that Russian President Boris Yeltsin's signing of an edict "On Urgent Measures to Protect the Population From Banditry and Other Forms of Organized Crime" puts in serious doubt the possibility of building a law-governed state in Russia.

"Facing a serious threat to society and the state emanating from the rising tide of crime, the president and the executive branch have decided to sacrifice the principles of Law and Democracy," the document underlines. "At the same time, the Constitution, to whose letter and spirit the authorities only recently vowed to be true, is being violated in the crudest way. Also being ignored are international treaties and federal laws, in particular the Russian Federation Criminal Process Code. The authors of the edict have acknowledged their impotence to cope with crime within the limits of the law. The authorities in every country are tempted to achieve stability and order by using dictatorial and law-contravening methods. We do know from history that totalitarian regimes—Soviet Russia, fascist Italy—coped with crime. But at what price?"

In the meantime, the Russian Union of Industrialists and Entrepreneurs [RUIE] states that "in its scale, cynicism, and impunity the terror thrust on society by criminal groups is gradually turning from an essentially criminal factor into a factor containing a real threat to the social foundations and state security.

"There should be a clear realization of the fact that the situation is already slipping out of control; hence it calls for extraordinary measures. Otherwise, there will be a criminal degradation of society. The should be not so much good intentions as energetic, uncompromising actions to eradicate crime that has gotten out of control."

The RUIE statement underscores that industrialists and entrepreneurs of Russia are prepared to support any resolute steps by the president, the Federal Assembly, and the government to impose law and order and to provide guarantees of personal security for the people of Russia.

Union Urges 'Uncompromising Action' on Crime

PM2006131394 Moscow TRUD in Russian 18 Jun 94 p 1

[Statement by Russian Union of Industrialists and Entrepreneurs: "Who Will Be Next?"]

[Text] Acts of armed violence against Russian industrialists and entrepreneurs are continuing in Moscow and other Russian cities. In terms of its scale, cynicism, and impunity the terror imposed on society by criminal groupings is gradually turning from a strictly criminal factor into a factor which poses a real threat to social foundations and citizens' safety. Committing murders, explosions, acts of arson, and other crimes and remaining, for the most part, invulnerable to criminal prosecution, criminal elements are destroying the people's moral health and giving rise to fear and lack of faith in the authorities' ability to ensure citizens' safety.

Literally every day augments the tragic list of people who have died at the hands of hired killers and bandits. Boris Berezovskiy, general director of the "All-Russia Automobile Alliance," might have become their latest victim. An attempt was made on his life in downtown Moscow 7 June. Fate proved charitable to him, but his companion died, and several people who happened to be at the scene of the explosion received injuries and mutilations of varying gravity. Who will be next?...

It must be clearly understood that the situation is already getting out of control and, thus, requires extraordinary measures to be taken. Otherwise the criminal degradation of the state will occur. What is needed is not so much good intentions as vigorous, uncompromising action to eradicate the criminal free-for-all.

For their part Russia's industrialists and entrepreneurs are prepared to support any resolute steps by the president, the Federal Assembly, and the government to instill law and order and to ensure guarantees of Russians' personal safety.

The Association of Russian Banks has issued a similar statement.

[Signed] The Board of the Russian Union of Industrialists and Entrepreneurs.

Organizations Pledge Support for Edict

PM2106084194 Moscow ROSSIYSKAYA GAZETA in Russian 18 Jun 94 First Edition p 1

[Unattributed report: "By All Possible Means?"]

[Text] The Russian Federation Government Council for Industry and Enterprise is prepared to participate most actively, by all possible means, and in every possible way in curbing the orgy of crime. A statement by the Council says that "the country has entered a phase of political terror of unprecedented dimensions. A State Duma

deputy, a banker, and an entrepreneur have been among the victims. The people involved in the revival of Russia are dying."

People's constitutional right to safety must finally become a state, rather than just a private problem, the document notes. Defective legislation, which more often than not protects the criminal rather than the citizen, the impotence of the law-enforcement organs, and official inaction are merely giving the criminal world a free hand. Society is entitled to demand that the state power structures place an insuperable barrier in the way of the criminals rampaging in the country and placing basic democratic values in peril.

"Terrorist actions are carefully thought out and organized and have a very specific aim: To give criminal elements a clear run at the levers of political power," a statement by the Association of Russian Banks says.

The document notes that the association is prepared to give every assistance to the law-enforcement organs and other state structures in the fight against crime.

The Russian Party of Free Labor, in turn, believes that the edict on protecting the population against bandits "contains no visible means of making law-abiding property-owners safe from bandit attacks. But militia officers have been given a free hand in the area of constitutional guarantees of the protection of citizens' private lives—an area they have been interested in for a long time." The Russian Party of Free Labor urged "the president and the State Duma to instruct independent experts to finalize proposals on combating organized crime, keeping them reasonable and, at the same time, bringing them into line with the Constitution."

Political Motive Seen in Anticrime Edict

PM2106102594 Moscow SOVETSKAYA ROSSIYA in Russian 21 Jun 94 pp 1-2

["Parliamentary Diary" by Vladimir Isakov: "1937 Again?"]

[Excerpt] [passage omitted] Law of Revolution [subhead]

The gloomy forecast that "insignificant deviations from the law" and "individual violations of the Constitution" will sooner or later lead to repressions against people is beginning to come true even early than expected. The president's 14 June 1994 edict no. 1226 "on urgent measures to protect the population from banditry and other manifestations of organized crime" opens up a tragic new page in Russian history in that sense.

The edict stipulates in particular that when there is "sufficient information" (who will determine this?) that a person belongs to a gang or other organized group, "by agreement with the prosecutor" (but without sanction) before criminal proceedings are instituted reviews and other investigatory actions can be undertaken with regard to the suspects, their relations, acquaintances, corporate bodies, and PUBLIC ASSOCIATIONS.

An undertaking not to change address, personal surety, surety from public organizations, and bail are not applied with regard those suspects and accused of these crimes, they can be arrested without charge for a period of up to 30 days.

Representatives of the internal affairs and counterintelligence organs have received the right to search at any time the premises of enterprises, organizations, and institutions and also transport facilities and their drivers and passengers and on any pretext and not only in connection with suspicion of having committed a crime.

At first glance there is nothing frightening in the edict—no prison, camps, or firing squad. But we should have no illusions: The edict is a heavy brick thrown in the window of legality and human rights. The window has been smashed to smithereens and it will not be long before the firing squad....

I shall not tiresomely enumerate the articles of the Constitution, Criminal Code, and Criminal Procedure Code violated by the president's edict—the lawlessness lies "heavily, crudely, and visibly" on the surface and no one is trying to hide it. Something else is more important: The edict DOES NOT HAVE A LEGAL MECHANISM OF IMPLEMENTATION. Any lawyer will tell you that in a situation where he has to choose between a law and an edict, a judge, prosecutor, or investigator must unfailingly FOLLOW THE LAW—he is obliged to do so by his duty, by the law, and by the Constitution which, incidentally, no one has formally repealed.

The president's edict gives a wonderful opportunity for playing cat and mouse with jurisprudence and speculating on the fact that "the evidence has been obtained by illegal means" and that the suspect is "the victim of tyranny and illegal repressions." This "loophole" will be used unfailingly by those against whom the edict is allegedly aimed—inveterate, well prepared criminal elements with the opportunity for hiring a reliable attorney. In proclaiming the intensification of the struggle against crime the edict in fact weakens and disorganizes it. It is that which puts us on our guard: Why then was it published?

I venture to suggest that in fact the edict has nothing to do with the struggle against crime, it is pursuing completely different—political—aims.

First: dragging the Duma into a confrontation with the president.

To someone who has lived through the defeat of the Supreme Soviet it is as clear as daylight. In just the same way a year ago the Supreme Soviet was drawn into confrontation by lawless edicts on privatization and was taunted with "decoy ducks" in the budget. And they achieved their end—first the Supreme Soviet was discredited and then it was destroyed completely. A year

later we can see that the Supreme Soviet was right in many waYS: The budget collapsed, privatization has discredited itself, but who remembers that the Supreme Soviet was right?

For several months now a similar game has been under way against the State Duma. The first round was the amnesty (**initiated by the president** let me remind you) which ended in the Duma's favor. The deputies were not split and did not quarrel—on the contrary, they adopted a decision which eased the pitch of political confrontation in society and compelled the president to invent the "social accord treaty" to capture the political initiative....

The second round—the budget round—is ending in a draw. Yes, it is the case that the Duma did not gain any political dividends from the budget but there are no grounds for discrediting it—it simply took and without lengthy discussions approved the budget submitted by the government. If there is something wrong then it is all the complaints against the government and president.

Next in line is the third and probably last round. Having violated the Constitution and the laws and cancelled out draft laws on the struggle against crime on which the Duma is working, the president has issued an edict which most grossly flouts human and civil rights. The aim is to provoke an outburst of anger among the deputies and the public and perhaps to retreat and then to put all the blame on the deputies for the collapse of the economy and the catastrophic increase in crime. A well known, cliched, and base trick which has been used many times: "The worse, the better, we shall find the culprits!"

The second reason: To remove the "taboo" on the criminal and criminal procedure codes and to accustom people to the idea that they can be replaced by the president's edicts. To force workers in the law enforcement organs to transgress the oath which obliges them to serve the people and to obey the laws.

How exactly do the organs protecting law and order differ from any armed gang? The use of violence? Both use violence. Technical equipping? The mafiosi and racketeers have perhaps a higher degree of technical equipment. There is one difference and it is the main one: the attitude toward the law. According to this indicator it has always been believed that they are on different sides of the barricades. The president's edict erodes that difference. Law enforcement organs which do not base their activity on the law are transformed from a tool in the struggle against crime into the largest mafioso gang backing up the power and interests of their "godfather."

I would not be surprised if with time it emerges that the series of murders and acts of terrorism which swept the capital immediately after the edict was adopted were a "special order" from some high-ranking gentleman. After all it is so important that photographs of blood-stained, lacerated bodies should appear in newspapers and television reports next to items from the State Duma "which is preventing the president from struggling against crime." So why not push someone toward vigorous actions? We are used to the acts of provocation of our sovereigns and the moral standard of all the present authorities leaves us with no illusions.

The third reason is the need for preemptive measures before the fall which promises to be "hot." Despite all the assurances and promises, the catastrophic decline in industry has not been overcome and stoppages of enterprises continue. Readiness for bringing in the harvest is 50 percent even compared with last year, which was far from a record-breaking one. However patient the Russian peasant is, betrayed and slandered by everyone, cut down by market "reforms," even his patience will finally break.... And it is here that the president's "storm detachments" will be needed, detachments which do not consider any laws.

Nonetheless the edict is having no "triumphal progress." Of famous political leaders only two—Zhirinovskiy and Travkin—have openly supported it. The former because the edict fully complies with his own ideas of the struggle against crime (that is how he intends to act when he comes to power) and the latter most likely because he is burdened with the portfolios of a "minister without portfolio" in the present government cabinet.

The edict has met with a sharply negative response even from pro-president groups of deputies and many lawyers, and former human rights champions who understand very well what kind of a hopeless quagmire the country can be led into by the president's "experiments" with the criminal code. Having sensed a smell of burning the "democratic press" has started to scurry about and become perturbed.... And it has reason: The first to come under the axe of illegal repressions are opponents, next are unreliable supporters, and then all the rest, without number and indiscriminately. After all, that is the "law of revolution...."

Officials Hold News Conference on 'Rampant' Crime

MK2106111594 Moscow KOMMERSANT-DAILY in Russian 21 Jun 94 p 14

[Andrey Kobich report: "Meeting at Journalists House. Journalists Are Going To Combat Crime Their Own Way"]

[Text] The participants in yesterday's press conference at the Central Journalists House were Eduard Sagalayev, head of the TV-6 network; Artem Borovik, chief editor of the newspaper SOVERSHENNO SEKRETNO; Aleksandr Mitroshenkov, director of public relations for the "LogoVAZ" joint-stock company; and Nikolay Koptev, deputy chief of the Regional Directorate on Organized Crime of the Moscow Internal Affairs Main Administration. Participants in the press conference proposed that journalist collectives stage an action of protest against rampant crime in the country.

In the view of Mr. Borovik, it is impossible today to combat crime effectively because the "executive positions in the economy and politics are under mafia control." Gangster formations also put pressure to bear on the mass media. Mr. Borovik has already been in two "deliberate road accidents." In order to draw the authorities' attention to the problem of crime, he suggested that all newspapers simultaneously carry on their front pages early in July stories about crimes committed by gangster groups. Some other suggestions were voiced at the press conference. For example, all publications should leave blank spaces reserved for stories of crimes. The blank spaces in newspapers would symbolize the state of crime in the country. Besides it was proposed to declare as of 1 July a year of the mass media combat against organized crime.

Mr. Mitroshenkov, director of public relations for the "LogoVAZ" joint-stock company, pointed out that the attempt on the life of Boris Berezovskiy, general director of the "LogoVAZ" joint-stock company and chairman of the AVVA board of directors, can be seen "as an encroachment on the interests of millions of depositors of these companies." In Mr. Mitroshenkov's words, "LogoVAZ" and AVVA are trying to stabilize prices in the Russian auto market. Some people did not like this, he thinks, and as a result the attempt on Berezovskiy's life was organized. He stated, however, that "LogoVAZ" and AVVA will keep trying to create a civilized auto market in Russia. Mr. Mitroshenko advised that the attempt on the life of the "LogoVAZ" general director could have resulted in a much greater number of victims because there were more than 100 people at the streetcar stop a short way from where the bomb exploded. They were unhurt by pure chance: The streetcar pulled up minutes before the blast. Mr. Mitroshenko voiced dissatisfaction with the fact that the investigation did not come up with any results two weeks after the attempt on Berezovskiy's life.

Nikolay Koptev, deputy chief of the Regional Directorate on Organized Crime, told the journalists that a four- or five-fold growth in the crime rate has been recorded this year. He suggested, however, that the situation should not be dramatized: In his words, the mafia does not rule the country, while the Ministry of Internal Affairs has the power to cope with crime. Provided of course that laws on combating corruption and organized crime are passed soon. Mr. Koptev did not recommend to journalists that they go ahead with the protest action and asked that, rather, they should simply objectively cover the work of militia.

Increase in Crime by, Against Foreigners Reported

LD2106113894 Moscow INTERFAX in English 1006 GMT 21 Jun 94

[Text] In 1993, citizens of former Soviet republics committed more than 15,000 crimes in Russia, compared to 530 in 1992, Head of the Central Criminal Investigation Department Lieutenant-General Vladimir Kolesnikov said during a briefing on Tuesday.

Kolesnikov said that the number of crimes committed by citizens of countries other than the former Soviet republics had also increased more than 4 times. Many foreigners have fallen victim to crime.

About 20 percent of the crimes are committed against foreigners who come to Russia on business, 20 per cent against foreign tourists and 13 percent against foreign visitors who arrive in Russia on private invitations.

In 1993, 311 crimes were committed against Finnish citizens, 304 against Germans and 109 against British citizens. In 1994, more than 4,500 crimes were committed against foreign citizens.

Kolesnikov announced that the Interior Ministry had drafted new rules for foreign citizens' stay in Russia, and a law on foreign citizens. Both documents are being considered by the State Duma.

Zyuganov: Russia on Verge of 'Criminal Dictatorship'

LD1806165894 Moscow INTERFAX in English 1523 GMT 18 Jun 94

[Text] Leader of the Russian communist party Gennady Zyuganov believes that the country is on the threshold of criminal dictatorship. On Saturday he addressed the sitting of the forum Towards New Accord in Moscow. Representatives of 17 parties and 30 public organizations and movements from former Soviet republics except Turkmenistan participated in the sitting.

According to Zyuganov, "dictatorship is inevitable" in the case that "neither replacement of the course, nor refusal from political revenge, nor formation of a government of national confidence take place in the near term and priority trends in the development of the agrarian industrial complex, military industrial complex, education, science, and culture are not determined."

The sitting discussed problems and prospects of economic and political unification of the former Soviet republics. As said President of the Russian Union of Industrialists and Entrepreneurs Arkadiy Volskiy, it would be necessary to Moscow to invest 10,000 trillion rubles in order "to transfer to self-subsistence economy" that is to manage without economic cooperation with the former Soviet republics.

The volume of the inter-republican trade was 21 percent of the USSR GNP, reported former USSR premier Nikolay Ryzhkov. At the same time he said that out of 15 Soviet republics only Russia and Turkmenistan had favorable trade balance. "Beginning with 1917 Russia always gave more than it received," Ryzhkov declared.

He warned about the danger "of ignoring and silencing" of the issue on the borders within the former Soviet

Union and reported there were 70 points on its territory "which can trigger the issue on the borders."

In Ryzhkov's opinion, "the CIS appeared to be lacking vital capacity and has not justified its tasks." A future voluntary union, he said, should be open not only for former Soviet republics but for other countries of Europe and Asia which will express their wish to join it.

Yeltsin, Kozyrev, Yerin Visit Crack Police Division

LD1806120094 Moscow ITAR-TASS in English 1136 GMT 18 Jun 94

[Text] Moscow June 18 TASS—President Yeltsin visited today a special crack police division of the Interior Ministry troops (the former Dzerzhinskiy Division).

On the occasion of the 70th anniversary of the creation of the division, the commander-in-chief viewed the parade of the division's personnel and the performance of the special task force. The president was invited to have lunch at the soldiers' canteen and had a conversation with servicemen.

He was accompanied by Interior Minister Viktor Yerin and Foreign Minister Andrey Kozyrev.

The history of the division is inseparably connected with the history of Russia and Moscow, its capital. Several generations of officers and men, serving in the division, fulfilled their duty with dignity. Nineteen of them were awarded the titles of the hero of the Soviet Union and hero of the Russian Federation, thousands were awarded orders and medals.

Yeltsin sent today a congratulatory message to soldiers, sergeants, non-commissioned officers, officers and veterans of the division.

"By successfully carrying out your tasks, especially during the troublesome recent years, you contributed a great deal to the preservation of civil peace in the country. I am confident that you will continue to ensure public security, acting jointly with other branches of the Interior Ministry, in the interests of the consolidation of the Russian state," the message said.

Yeltsin Announces New Government Appointments

LD2006164594 Moscow ITAR-TASS in English 1603 GMT 20 Jun 94

[Text] Moscow June 20 TASS—Russian President Boris Yeltsin signed several decrees on Monday appointing Aleksey Kazakov head of the Department for Work with Territories of the Russian Presidential Administration and Vladimir Varov head of the Federal Labour Inspectorate of the Russian Ministry of Labour, Chief Labour Inspector.

Yeltsin also appointed Vladimir Zaitsev first deputy head of the Russian President's Auditing Department and put him in charge of the department, the presidential press service said.

Public Chamber Oversees Social Accord Progress

PM2106103194 Moscow ROSSIYSKIYE VESTI in Russian 21 Jun 94 p 1

[Report by Lyubov Tsukanova: "Public Chamber Wants To Influence the President's Decisions. It Is Charged With 'Overseeing' the Treaty on Accord"]

[Text] There are already 863 signatures on the Treaty on Social Accord. Social organizations and parties account for 265 of these, entrepreneurial, commercial, and banking structures for 285. Fifty-two trade unions, 65 scientific organizations, 17 mass media sources, 10 creeds, six parliamentary factions, and others, have signed. These figures were cited at a routine session of the Russian Federation President's Public Chamber 18 June by Sergey Filatov, leader of the Presidential Staff, who was recently appointed leader of the conciliation commission implementing the treaty. Sergey Filatov said that, first, the agreement on civil peace is still open for people to join and, second, work on signing it is being stepped up in the regions. The operation of the treaty itself is already becoming apparent, in the Presidential Staff leader's opinion: At any rate, even the intransigent opposition has been forced to take account of public opinion and change tactics, giving its "protest actions" a more respectable look.

Since the signing of the treaty is only the first stage of the journey down the road of civil peace, a conciliation commission is being formed to implement it; it includes representatives of all the branches of power. Independent experts will be involved in its work. Both cochairman from the Public Chamber (A. Sobchak and B. Topornin) will sit on the commission, as will the leaders of five newly created commissions: for political stability; for socioeconomic problems; for questions of federative structure and national relations; for security; and for problems of science, education, and culture. According to the president's idea, these Public Chamber commissions are necessary to analyze progress in fulfilling the Treaty on Social Accord and to elaborate recommendations for its implementation.

Despite the optimism with which Sergey Filatov and Vice Premier Aleksandr Shokhin tried to infect members of the Public Chamber, many of the sociopolitical movement leaders present in the Kremlin expressed doubt as to the Public Chamber's prestige and political weight. The sufficiently trenchant but constructive criticism expressed in particular with regard to the president's edict on fighting organized crime also suggests that the Public Chamber does not wish to be a eulogistic chorus of "courtiers." If the chamber wants to be a truly prestigious body, one participant said, it should not only

criticize the president's unsuccessful steps but also have the possibility of averting them.

Filatov Sees No Danger of Federation Falling Apart

LD2006162994 Moscow INTERFAX in English 1439 GMT 20 Jun 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov and Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] The chief of the presidential staff Sergey Filatov believes that no serious risk is in sight of the Russian Federation falling apart. Filatov told the public chamber at the office of the President in the Kremlin on Saturday the diminishing threat of a break-up of the Russian Federation was a direct result of the treaty of social accord (Filatov is chairman of the conciliatory commission to effect that document—INTERFAX).

"So far 863 political parties, non-governmental organizations and associations have signed that treaty and the signature-raising campaign will go on", Filatov said.

He pointed to what he described as society's "ever more neutral, in some cases negative attitude" to the opposition's attempts to resist reform. He said that under the influence of that treaty the opposition had shifted to "more civilized forms of confrontation".

Filatov admitted that the social price of reform was very high: "The gap between wealth and poverty is keenly felt by society and crime and corruption rates are alarming." The chief of the presidential staff described the latest package of President Yeltsin's decrees on economic issues as an "instrument of the fairest distribution of problems in society during the transition phase".

Filatov believes that resolving problems of the transitional period would be possible only in the climate of civic accord. He said society needed stable rules of political struggle. At the same time he said that the executive authorities were prepared for a dialogue with any political forces, provided they observed the Constitution of the Russian Federation.

Filatov said that attempts to recreate the USSR by force might trigger a civil war. He said those who sought to revise the Belovezh agreements and restore the USSR by force must remember that they gamble with the lives of millions. "Attempts to act on such ideas is the surest way to civil war comparable in scale only to World War II".

Alongside other favorable changes resulting from the treaty of social accord Filatov pointed to "other republics' growing confidence in Russia". President Yeltsin's chief of staff admitted that part of society was "ostalgic about real socialism and sweet deceit and self-deceit".

Filatov said Russia's reformist and democratic forces had approached a dramatic frontier, where new ideas had to be formulated and strategy adjusted.

The presidential chief of staff described the crime situation in Russia as "close to an emergency". He said that was the main reason that prompted President Yeltsin to sign the decree to protect the population from gangsterism and organized crime. "Ten explosions a day is a sure sign that criminal gangs impose their mode of life and ideology on society", Filatov told INTERFAX.

Filatov believes that the main reason why society disagrees with the presidential decree is that it permits detaining suspects for 30 days. He said that that measure was "borrowed from the state of emergency law". Filatov believes that those who argue this provision of the decree should be compensated in legal terms, "by eliminating people's old-time fear of the sweeping powers of policing agencies" are right, too. The chief of presidential staff believes that that can be achieved with assistance from the conciliatory commission for effecting the treaty of social accord.

The speaker of the lower house of the Russian parliament Ivan Rybkin believes that the presidential decree "On Urgent Measures to Protect the Population From Gangsterism and Other Manifestations of Organized Crime" is a necessary measure. At the same time he told journalists that in order to avoid "frictions between the president and the Duma" Boris Yeltsin should have presented in advance an appropriate bill of amendments to the criminal code.

The State Duma last Friday included debates on the presidential decree in its agenda, however, failed to begin it due to the shortage of time. The State Duma's Security Committee drafted a resolution entitled "On the Protection of Constitutional Rights and Freedoms of Citizens While Implementing Measures to Fight Against Crime" asked the president to suspend the decree, because it ran counter to the Constitution and the criminal code [sentence as received]. The attention of the Supreme Court was drawn to the need to stick to the current legislation in administering justice.

Poll Taken on Reunification With Former Republics

LD2106105294 Moscow ITAR-TASS in English 1028 GMT 21 Jun 94

[Text] Moscow June 21 ITAR-TASS—More than one-third of Russians polled in a recent survey by the Public Opinion Fund said it is in the interests of the country to reunify Russia with other former Soviet republics in one state. But one-fourth of the respondents in the poll said they were against any reunification with any country.

Asked what countries should be given preference in the unification process, three percent favored Azerbaijan, four percent Armenia, 24 percent Belarus, four percent Georgia, 13 percent Kazakhstan, three percent Kirgizia [Kyrgyzstan], four percent Latvia, three percent Lithuania, eight percent Moldavia, four percent Tajikistan, three percent Turkmenia, four percent Uzbekistan, 24 per cent Ukraine and three percent Estonia.

Thirty-four percent called for reunification with all former Soviet republics.

Only 13 percent of those polled were uncertain.

The poll of 1200 respondents was conducted in June, and its results were published in the BUSINESS WORLD WEEKLY on Tuesday.

Yeltsin Drafts Bill on Prosecutor General's Office

LD2106112994 Moscow INTERFAX in English 1006 GMT 21 Jun 94

[Text] The Federation Council and Duma are to receive from President Yeltsin Tuesday or Wednesday a bill on the Prosecutor General's Office. The Council's Chairman Vladimir Shumeyko announced in the parliament's upper house on Tuesday that Yeltsin will submit the document as part of his legislative initiative.

Shumeyko explained that Yeltsin is offering lawmakers the opportunity to first discuss the role of the Prosecutor General's Office and only "then choose a person to run it."

So far Aleksey Ilyushenko has been acting as Prosecutor General, despite the fact that he has proved unpopular in the Federation Council.

After Shumeyko's statement, the issue of making the proposal on a Prosecutor General part of the session's agenda was put to a vote at several legislators insistence. However, it was not included in the agenda because the motion did not collect the necessary number of votes.

Yeltsin, Yavlinskiy Leading Presidential Candidates

LD2006135194 Moscow ITAR-TASS in English 1318 GMT 20 Jun 94

[By ITAR-TASS correspondent Yekaterina Zhilyakova]

[Text] Moscow June 20 TASS—If the presidential election was to be held in Russia today, the two main contenders for the top post would be current president Boris Yeltsin and democrat-reformer Grigoriy Yavlinskiy. At least, such a conclusion is indicated by the results of a survey conducted by the independent polling company "Mnenie" (Opinion) among a representative sample of four thousand people in 30 Russian districts.

However, there is a large danger that the presidential elections, if held today, would not be valid or would be an only partly meaningful political exercise. Of those questioned, 38 percent said they did not trust any of the likely candidates, and 18 percent are already planning to skip the elections altogether.

Yeltsin proved that he is still considered the lesser of all the evils, receiving 11.3 percent of the hypothetical votes. In second place was Yavlinskiy, leader of the "Yabloko" electoral bloc, with nine percent.

Yeltsin received proportionately more support among citizens over thirty years of age. The 18-29 age group pinned their hopes for Russia's future more on the leader of the Yabloko bloc, who received 9.5 percent of their votes, compared to Yeltsin's 7.4 percent.

Yavlinskiy also appealed to the middle and upper classes. 13.7 percent of those with monthly salaries of 100,000 rubles or more (50 U.S. dollars) supported Yavlinskiy, while 11.5 percent preferred Yeltsin. The president's support among respondents with 50,000 or less rubles a month was 10.2 percent.

Ex-vice-president and opposition leader Aleksandr Rutskoy gets most of his support from the countryside and small towns (seven percent each), although Yeltsin had higher figures among both types of rural dwellers. Extreme-nationalist Vladimir Zhirinovskiy did not get into the top three slots except among country people, who gave him third place behind Yeltsin and Rutskoy.

Yeltsin Congratulates Special Task Force

LD1806093494 Moscow ITAR-TASS in English 0851 GMT 18 Jun 94

[Text] Moscow June 18 TASS—President Yeltsin has sent the following congratulatory message to the personnel of the special task force division of the Russian Interior Ministry troops on the occasion of the 70th anniversary of its creation:

"I congratulate soldiers, sergeants, non-commissioned officers, officers and veterans of the special task force division of the Russian Interior Ministry troops on the occasion of the 70th anniversary of its creation.

"The history of your division is inseparably connected with Russia and Moscow, its capital. Several generations of officers and men serving in your division fulfilled their duty with honour. Nineteen of them were awarded the titles of Hero of the Soviet Union and Hero of the Russian Federation, thousands more were awarded orders and medals.

"The successful fulfilment of official duties and combat tasks, especially during the troublesome past several years, contributed a great deal to maintaining civic peace in the country. I am confident that you will continue to ensure public security together with all the branches of the Interior Ministry in the interests of the consolidation of the Russian state.

"I rely on your will, honour and courage. Maintain and develop continuous vigilance, high combat preparedness and strict army discipline, which have always been the characteristic features of troops of the law enforcement structures.

"I wish officers and men of the division, veterans, families of the servicemen good health and genuine happiness.

[signed] B. Yeltsin"

Yeltsin Sends Greetings to Religious Conference

LD2106091894 Moscow ITAR-TASS in English 0905 GMT 21 Jun 94

[By ITAR-TASS]

[Text] Moscow June 21 TASS—President Boris Yeltsin has sent a message of greetings to participants in an interconfessional conference, which opened here on Tuesday, on the subject "The Christian Faith and Human Animosity".

Greeting the spiritual leaders of most of Christian churches and religious associations that traditionally exist in CIS and Baltic countries, the president pointed out that their "aspiration to find ways for the Christians' full-scale participation in overcoming human animosity in the post-Soviet space" is close and understandable to him.

"Over long years of militant atheism, the souls of many people have become depleted and have grown hard, harbouring indifference and hatred. All that is a nutrient medium for social and inter-ethnic conflicts, extremism in politics, tension in society".

Yeltsin expressed the conviction that "the involvement of Christian communities of various confessions in the constructive peace-making processes will be of great benefit. Religious leaders can stay the hand of a killer by force of wise words and by virtue of their moral prestige, help people to start dialogue and convince them of necessity to return to peace and mutual understanding".

"I believe that you will pool your efforts and will actively promote the advancement of the peoples of the newly independent states towards accord and cooperation in the spirit of freedom, mutual tolerance and well-wishing.

"I will continue to support the joint peace-making efforts of CIS and Baltic Christians and your cooperation with the believers of other religions and non-religious people in common concern for the well-being of our states," the message said.

Nationwide Poaching-Control Operation Begins

LD2006071994 Moscow ITAR-TASS in English 0709 GMT 20 Jun 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow June 20 TASS—A nation-wide poaching-control operation called "Zaslon" which was launched on Monday, will protect Russia's national wealth, said here on Monday Rear-Admiral Sergey Skalinov, deputy commander of Russian naval border forces, in an interview with ITAR-TASS.

According to the admiral, all ships took their assigned positions and started fulfilling their duties.

The poaching-control operation is being conducted on the Barents, Baltic, Black, Azov and Caspian seas, Lake Chudskoye, the Amur and Ussuri rivers. It involves, along with border forces, ships of the Russian Navy, Aviation, the Customs Service and other state structures.

In the opinion of Skalinov, experience accumulated during the first stage of a previous poaching-control operation which was carried out in the Pacific, enabled military authorities to deploy forces in a short period of time and establish cooperation between them.

The admiral said that the second stage of the poaching-control operation in the Pacific was launched successfully on Monday. Vice-Admiral Nikolay Kudinov, commander of naval forces of Russian border troops, is in charge of this operation.

"The main task of these large-scale operations is to prevent the pillage of Russia's national wealth, along with strict observance of international norms and rules," the admiral concluded.

Trial of 1991 Coup Plotter Varennikov Continues

LD2006145094 Moscow INTERFAX in English 1306 GMT 20 Jun 94

[Text] The Russian Supreme Court's Military Collegium is to continue the trial of one of the 1991 coup leaders Valentin Varennikov, a spokesman for the Military Collegium confirmed in an interview with Interfax on Monday. Varennikov faces charges of high treason and conspiring with the aim of seizing power.

Varennikov is the only leader of the 1991 coup, who did not agree to being granted political amnesty, announced by the State Duma on February 23, 1994, and who demanded that the trial be continued. The cases against the other defendants were terminated.

Varennikov denied all charges brought against him during the preliminary investigation and in court. His interests will be represented by lawyer Dmitriy Shteynberg.

Shteynberg's request for terminating the case in the absence of any criminal content in Varennikov's actions, was turned down, because only the court may take such a decision.

Among the witnesses who are expected to appear in court are former commander in chief of the Soviet airborne troops Vladislav Achalov, Russia's Deputy Defense Minister Boris Gromov, former Soviet president Mikhail Gorbachev and former Soviet defense minister Dmitriy Yazov.

The hearings will be chaired by Major-General Viktor Yaskin.

New Witnesses Summoned at Trial

LD2106110994 Moscow ITAR-TASS in English 1050 GMT 21 Jun 94

[By ITAR-TASS correspondent Yuriy Shcherban]

[Text] Moscow June 21 TASS—At the trial of Valentin Varennikov, former commander-in-chief of Soviet Land Forces and deputy minister of defence, the military panel of the Supreme Court on Tuesday endorsed the defendant's application requesting that additional witnesses be summoned.

Former KGB chief Vladimir Kryuchkov and former prime minister Valentin Pavlov have been invited as witnesses for the study of circumstances of the meeting at ABC facility on the eve of the formation of the self-proclaimed emergency committee.

Yuriy Plekhanov and Vyacheslav Generalov will be called to the court as witnesses to clarify the circumstances of the disconnection of government communications in the Crimea and the isolation of Soviet President Mikhail Gorbachev. The two already appeared as witnesses at the coup plotters' trial.

Other witnesses will also be invited to the court, including those suggested by Arkadiy Denisov, senior military prosecutor at the main department for the exercise of supervision in the armed forces, who represents the prosecution.

The hearing of the case goes on.

Zhirinovskiy Expresses Support

LD2106135394 Moscow ITAR-TASS in English 1347 GMT 21 Jun 94

[By ITAR-TASS correspondent Yuriy Shcherban]

[Text] Moscow June 21 TASS—Russian nationalist leader Vladimir Zhirinovskiy expressed today his solidarity with Valentin Varennikov, a leader of the 1991 abortive Soviet coup, who is now at trial by the military panel of the Supreme Court.

Varennikov was the only ringleader of the attempted coup who refused to accept parliament's amnesty in February and insisted that a court investigation of his case goes on.

Zhirinovskiy appeared in the court-room on Tuesday to make a joint statement with Varennikov saying that a special perliamentary commission should control the general prosecutor's office investigating the case.

Columnist Views Zhirinovskiy Immunity Case

PM2006092594 Moscow IZVESTIYA in Russian 17 Jun 94 p 2

[Report by Leonid Nikitinskiy: "Zhirinovskiy's 'No-Lose' Case"]

[Text] On 15 June the State Duma chairman's office received an official submission from the general prosecutor requesting that Vladimir Zhirinovskiy's immunity as deputy be lifted in connection with the institution of criminal proceedings against him.

We have learned that after Aleksey Kazannik instituted a criminal case 26 January on the grounds that the book "Last Dash to the South" incited war and whipped up interethnic strife, its author—V. Zhirinovskiy—was questioned as a witness by an investigator from the Main Military Prosecutor's Office. A number of expert assessments of the case were made—philosophical, psychological, and military-historical—which concluded that certain passages of the aforesaid work did indeed contain indications of calls for war and the whipping up of ethnic strife. The work done at the Prosecutor's Office, in the opinion of Acting General Proseuctor A. Ilyushenko, makes it possible to charge V. Zhirinovskiy under Articles 71 and 74 of the Russian Federation Criminal Code. But, since he is a State Duma deputy, this requires his consent.

Under Article 20 of the Law on the Status of Deputies, the Duma should examine the General Prosecutor's Office submission within one week and provide a reasoned response. The decision to agree ("yes") or refuse ("no") to institute criminal proceedings against Zhirinovskiy should be adopted under the ordinary standing order regulations by a majority of all the deputies.

Most of the various faction leaders and deputies polled by this writer 15 June believe that the Duma will not hand Zhirinovskiy over to the Prosecutor's Office, however odious he may be. The submission will most probably not be backed by the Communists, the agrarian faction, the Democratic Party of Russia, or the "Women of Russia"—not to mention Zhirinovskiy's supporters themselves. They do not need to vote against, they need only abstain or refuse to exercise their vote. The majority of deputies from "Russia's Choice," "Yabloko," the Party of Russian Unity and Accord, and the "12 December Union" will vote in favor of the Prosecutor's Office submission, cunningly aware that their votes will still not be enough.

The only original answer that differed from the common model was provided by Grigoriy Yavlinskiy, who believed that an agreement could be reached with the left wing on "handing over" Zhirinovskiy if the favor were to be repaid, for instance, with a seat in the government. But nobody is likely to pay this price for him—moreover, such complex and convoluted ploys need thorough preparation, whereas the General Prosecutor's Office submission was sprung on the Duma.

The problem for the deputies lies first in setting a precedent by stripping a colleague of his deputy's immunity—given that, in the future, the Criminal Code will unfortuantely smile not only on Zhirinovskiy and not only on this kind of "ideological" crime. Second, if Zhirinovskiy loses his mandate as deputy in any further development of this scenario, a collapse will threaten not just the Liberal Democratic Party of Russia—his disappearance from the Duma (where, incidentally, he has been quite quiet of late) is likely to destabilize the equilibrium which has been achieved to a certain extent

here and to reshuffle the entire makeup of the corps of deputies (with consequences which would be hard to predict).

If we made the rather unprobable but not altogether impossible assumption that the majority of deputies would nonetheless back Ilyushenko's submission, then the Main Military Prosecutor's Office would have to continue its investigation, interrogate Zhrinovskiy as the accused, and, if necessary, hold confrontation interviews.

Once the investigation is over the indictment would be sent to the court. Article 74 Part 1, which incriminates Zhirinovskiy (incitement of ethnic strife), provides for a fine and up to three years' imprisonment. Conversely, Article 71 (propagandizing war), which has hitherto never been actually applied in practice, provides for between three and eight years' imprisonment. But most probably (although we would once again add the rider that such a turn of events is unlikely) the courts would find a way to hand down a punishment that did not actually involve incarceration.

In this event the subjugator of India would gain a criminal record and the status of convict, but would not lose his deputy's mandate, which would not be stripped automatically in this event, but only after a new Duma decision. The Duma could vote for the mandate to be retained even in the event of Zhirinovskiy being sentenced to a punishment actually involving incarceration (Article 4 of the Law on the Status of Deputies). The considerations which will guide his colleagues in this event are the same as in the case of stripping him of his deputy's immunity.

But by following through the most extreme version of this unfolding scenario, we are geting further away from the genuinely likely outcome. Most probably, the criminal case against Zhirinovskiy will be reliably obstructed at the first stage—that is, next week. And such a decision would fundamentally suit everyone.

The Prosecutor's Office will do its formal duty, and Acting General Prosecutor Ilyushenko will score another point in the light of the likely resubmission to the Federation Council of his candidacy for the post of general prosecutor; Zhirinovskiy will get additional political publicity, without which he would become reminiscent of a deflated and wrinkled child's balloon; the Duma as a whole would retain the relatively balanced and monolithic nature of its ranks; deputies standing on nationalist positions would take great pride in having saved their soul mate; the democratic factions would be able to accuse their opponents of harboring instigators of war; and finally, the president will be given a pretext to level the selfsame accusation against parliament as a whole, a pretext which could usefully be held in reserve. Generally speaking, no one could lose.

Daily Apologizes for Nonpublication

PM2106111594 Moscow SOVETSKAYA ROSSIYA in Russian 21 Jun 94 p 1

[Unattributed comment: "Issue Disrupted"]

[Text] We ask you to forgive us, dear readers—the Saturday issue dated 18 June did not reach you. On the night before publication V.P. Leontyev, director of the "Pressa" publishing house, decreed that SOVETSKAYA ROSSIYA should be suspended. Why? Old debts, we were "eating" other people's paper....

Excuse us, but this has been said dozens of times—in court, in arbitration, in the government, in the committee for the press, with the publishing house leadership.... The debts were formed mainly as a result of the newspaper's illegal (as the court established) closure in October 1993 for two and one-half months on orders from the Ministry for the Press and the Mass Media headed by V.F. Shumeyko. Even then they amounted to the astronomical sum of 1.2 billion. We could have settled debts with the "Pressa" publishing house three times over. But neither Shumeyko nor anyone else wants to settle debts for their illegal actions.... The question of subsidies for the press remained hanging and only what are called "state" publications close to their hearts were generously subsidized.

After the spring quarantine established for it by the publishing house SOVETSKAYA ROSSIYA appealed for help to readers and other newspapers. The received the most vigorous support from the people—tens of millions of rubles. With this money we are buying paper, paying for the production and transportation of current issues. This survival probably seemed too impertinent to the publisher and he remembered his old debts and suspended the newspaper.

In their speeches State Duma deputies protested this treatment of the opposition people's newspaper. Chamber deputy chairman A.N. Chilingarov was instructed to conduct the necessary talks on resuming publication. The committee for information and communications under the chairmanship of M.N. Poltoranin suggested forming a commission including representatives of the State Duma and government to resolve this unusual conflict. The publishing house agreed to publish a few issues of SOVETSKAYA ROSSIYA if, it said, there was money to back them up.... We backed them with your hard-earned rubles, dear friends.

We take this opportunity to express to you, dear friends, our heartfelt thanks for the newspaper's support. The preliminary results of subscription for the second half of the year have just become known. All similar publications have substantial losses compared with January, with ROSSIYSKIYE VESTI restoring only 7.6 percent of its subscription, losing 484,000 subscribers. SOVETSKAYA ROSSIYA has no losses—it has restored 128.6 percent of its January subscribers. The money submitted by readers would be enough to settle its debts

and to publish the newspaper regularly. The state organizations only have to put it at the editorial office's disposal. We hope for effective aid from deputies. At any rate today it is thanks to the deputies that we are with you again!

Economic Issues

Food Prices Continue To Inflate

PM2006092194 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 2

[Report "based on data from the Russian Federation Government Economic Conditions Center Department for Price Analysis and Forecasting: "The Week's Prices 31 May-7 June: Volga Region Outstrips Everywhere Else"]

[Excerpts] According to current state statistics, in the past week the overall index of inflation was 102 percent, and since the beginning of the year it has increased 80 percent. [passage omitted]

At the beginning of June the change in prices for fruit (8.8 percent) and vegetables (2.9 percent) was still appreciable. Prices for fish products, butter and vegetable oil, eggs, and vodka stayed virtually at last week's level. Food product prices in the Central Chernozem region went up more—by 5.1 percent—than in other regions, with new-crop fruit and vegetable produce increasing by an average of 50 percent against increases of 6 percent for confectionery products and tea and 5 percent for bread and flour products and pasta products.

At the same time price increases for food goods were less than 1 percent in the Northwest, Volga-Vyatka, and Urals regions.

As of 17 June the average cost of the basket of the 19 most important food products was 55,400 rubles [R], an increase of 2.7 percent during the week and 80 percent since the beginning of the year. This basket cost R53,400 at official trade prices and R68,000 at unofficial trade prices.

In the past week the basket's cost has increased by over 10 percent in 12 of the 132 cities being monitored. The biggest increases were recorded in cities of the Volga region—18.3 percent in Naberezhnyye Chelny and 13.5 percent in Ulyanovsk. Ulyanovsk was affected by an increase in prices for fruit and vegetable produce, while in Naberezhnyye Chelny bread became on average 50 percent more expensive and certain meat products, vegetable oil, and eggs became an average of 20-30 percent more expensive.

In the past week the basket's cost remained virtually unchanged in the Central Chernozem and East Siberia regions.

As of 7 June the cost of the basket of the 19 most important food products was R61,100 in Moscow. It was R54,600 in St. Petersburg. Moscow moved from 34th to 36th place in the list of cities being monitored, while St. Petersburg is still in 49th place.

In the past week prices for nonfood goods increased more slowly than those for food products and paid consumer services—by 1 percent, which is the lowest weekly figure in the entire period since the liberalization of prices began.

Yakutsk, Novyy Urengoy, Nakhodka, and Petropavlovsk-Kamchatskiy remain the most "expensive" in terms of the level of prices for nonfood goods.

Food Prices Caught in 'Vicious Circle'

PM2006122194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Jun 94 First Edition p 1

[Report by Aleksandr Gavrilyuk: "Bread Will Get Dearer. Much Dearer, 'Roskhleboprodukt' Corporation Chairman Believes"]

[Text] As is frequently the case in our country, gloom abruptly turned to uncommon joy at the mention of the upcoming harvest. It was clear to everyone that, if there are more ears in the fields, Russia will not have to buy grain abroad this year. This is remarkable, of course, but we will have to pay more for bread at the store. And there had been rumors that the price of bread would go up in June.

Unfortunately these rumors have been borne out. Bread has been and is still getting dearer, and the price will continue to go up. Maybe not in June, but in the middle or at the end of the summer 1 kg of bread will cost around 950 rubles [R]. As always, the search for a culprit has begun.

Agrarian Party of Russia Chairman Mikhail Lapshin stated that this fact is "in no way connected with demands by the peasantry to boost state support for the agro-industrial complex." Moreover, Mikhail Ivanovich stressed: "Agricultural producers categorically oppose price rises since they gain nothing from them. The peasant's cut of the retail price is just 8-10 percent, whereas it is the government that is allowing bread prices to be ratcheted up without restraint by increasing the cost of grain storage, transportation, and processing and the actual trade in bread."

It is extremely difficult right now to keep track of the grain situation in our country, and the picture is pretty clouded anyway because everyone is playing their own game.

Nevertheless Leonid Cheshinskiy, president of the "Roskhleboprodukt" federal contracting corporation, believes that "the corporation is in no way to blame for the price." Everything is getting more expensive—raw materials, fuel and energy resources, and all types of services. In his opinion, the biggest share of the price hike is accounted for by bank credit. Grain currently

being stored and processed at the corporation's enterprises has been bought on credit at the bank rate, hence the increase in the bread price is going to average 20 percent a month.

In addition, however, Leonid Stepanovich acknowledges that the corporation was unable to purchase all the grain and that grain was left with the farms. Many oblasts purchased it from peasants at a price which, as a rule, did not exceed R90,000 a tonne. So they used it to bake more or less cheap bread. At the present time there is practically no grain left on the farms, so now it has to be taken from state resources. The grain has already been paid for, it has incurred interest charges and storage and processing costs, and the price of grain has now risen from R120,000 to R150,000 on the other side of the Urals.

The situation is also made worse by the fact that in order to bring a tonne of wheat from Omsk, for example, you need to pay R100,000. As a result the full cost of that tonne will be R250,000. So you can calculate how much a kilogram of bread will cost at the store.

But all the indications are that the main problem still lies ahead. The fact is that the Russian Ministry of Agriculture and Food has already determined purchase prices for arable produce. How can the price be determined if, according to the president's edict, this is supposed to be done by the market!

The answer can be found in letters from the Ministry of Agriculture and Food that have turned up in the editorial office. Apparently, "because of the undeveloped nature of the market infrastructure, the lack of experience of working in market conditions, and the high level of inflation, agricultural production, procurement, and processing enterprises are experiencing considerable difficulties in determining an advantageous market price." So the Ministry has set guideline purchase prices. For example, this year wheat will be bought for R220,000 a tonne compared to R65,000 last year. Add to this mark-ups and costs totaling another 30 percent, and you end up with the price we have to pay for bread at the store. This is how the market determines the cost. And then the whole cycle starts up again: If grain goes up, so does meat, and therefore the cost of technology and gas goes up too.... Basically, nobody is to blame. It is unclear who can break this vicious circle. Possibly the "Roskhleboprodukt" corporation, which has basically become a private company and naturally has an interest in buying grain as cheaply as possible, even abroad if need be.

Farmers Need R9 Trillion To Harvest Crops

LD1906143794 Moscow INTERFAX in English 1231 GMT 19 Jun 94

[Text] If the Russian farming sector does not have nearly nine trillion rubles credits, much of the next harvest would be lost, Aleksandr Nazarchuk, State Duma Agricultural Committee chairman, told Interfax Sunday.

The credits, he said, must be granted on easy terms rather than at the unbearable discount rate of 210 percent. He complained that the agricultural sector was neglected as far as financing was concerned.

The updated draft budget that was supported by the Agrarian Party in the Duma would appropriate over 10.8 trillion rubles, of which over four trillion as support of most important industries, for agricultural needs. As of mid-June, however, as little as 9.26 and 1.94 pct of these amounts, respectively, have been made available, Nazarchuk said.

He added that the Finance Ministry had promised to make as much money available to the farming sector as the budget had appropriated.

Even if it does, however, the Agrarian Party cannot rule out the possibility of protest actions undertaken by the Russian peasants. The national convention of peasants may have a significant role to play in such actions. The date of the convention will be set by the Agricultural Workers Collective Action Council which will meet on June 24.

Soskovets Says Grain Losses Must Be Averted

LD2006142494 Moscow INTERFAX in English 1355 GMT 20 Jun 94

[Text] First Vice-Premier Oleg Soskovets has called on the agro-industrial complex not to permit "by any means" a repetition of last year's grain losses, which totalled 20 million tonnes, or 20 pct of the gross harvest (99 million tonnes in bunker weight).

Soskovets was addressing a conference on preparations for harvesting held at the Russian government building.

The conference was critical of the agrarian sector's level of preparedness for harvesting.

The grain combine harvester fleet has been reduced by 29 thousand vehicles since 1993 and of the remaining ones less 50 percent are operational. As a result each machine will have to harvest 260 hectares (compared to the standard 131) and the harvesting season will take a whole month, whereas the optimal harvesting period is no more than 15-17 days.

Soskovets asked manufacturers to urgently supply farm workers with 1,575 grain harvesters on credit supported by government guarantees, and called on the economics and finance ministries to pool efforts with the Central Bank of Russia to look into the possibility of financing the agro-industrial complex on favorable terms. The Russian government, Soskovets said, will take a number of urgent measures to make preparations for harvesting already this week.

He strongly criticized the AIC leaders, in particular, such sub- units as the Rosagrosnab and Roskhleboprodukt joint-stock companies and the associations of Rosagrokhim which had assumed new names but failed to

become full-fledged market structures to this day. Soskovets said that there was no united agro-industrial complex in the country, only fragmented structures in no way responsible for the farmers' end product.

Consumer Price Inflation Continues To Slow Down

PM2106105594 Moscow IZVESTIYA in Russian 21 Jun 94 p 1

[Unattributed report: "Price Rises Continue To Slow"]

[Text] The Russian State Committee for Statistics reports that the increase in prices of consumer goods and services during the period from 8 through 14 June was the smallest since the beginning of the year: 0.8 percent. During that week food prices rose by 0.7 percent, non-food prices rose by 0.9 percent, and prices of consumer services rose by one percent.

The cost of the basket of 19 basic foodstuffs was 56,000 rubles [R] for one month's consumption. The maximum cost of the basket was R150,400 in Magadan, and the minimum was R35,800 in Ulyanovsk. Since the beginning of the year the cost of individual types of housing and municipal services has increased six to eight times, the cost of travel on trains and city buses has increased four to five times, the cost of places in children's preschool establishments has trebled, and it is now twice as expensive to stay in sanatoriums and recreation centers.

New Privatization Stage Under Way

LD2006122494 Moscow ITAR-TASS in English 1124 GMT 20 Jun 94

[By ITAR-TASS analyst Mikhail Krushinskiy]

[Text] Moscow June 20 TASS—The first stage of the big sell-off in Russia has entered the home stretch. From June 1 [as received], the so-called voucher privatisation will automatically switch to privatisation for ready money. This poses serious problems for Russians and encourages some of them to heightened activity.

The majority, those who have already acquired portions of the national wealth in exchange for vouchers, are in suspense because only trade in shares for money will make clear the real price of what they have acquired. Not all of them have a clear idea of the functioning of the market mechanism. Hence, confusion and disappointment of those who see security as a source of certain mandatory and steady income. The simple fact that the loss-making enterprises will never give any dividends to the holders of their shares can become a source of serious social tension.

The minority, those who have not yet invested their vouchers and not sold them for cash, are no less tense. True, official sources keep encouraging the hope that the exchange rate of the voucher is likely to jump soon on the anticipation of the "choice morsels" being put on the bloc on the last voucher auctions. The common sense prompts however that if on July 1 the price of the voucher will equal nil, the day before it must be very close to nil. The only help the late-comers can count on is that the voucher stage will be prolonged, but this hope is growing less and less with every passing day.

The most serious tests will have to be taken and passed by the direct participants in the upcoming "big-time game", entities on the domestic stock market. It has hardly taken shape and looks like forest path minutes before powerful motor vehicle are due to begin their onward march along it. Russia has a few dozens of stock markets, all of which are presumably ready to receive the swelling tide of securities but have very few experienced stock market dealers and brokers, not enough floor space and offices, no more than a trickle of financial resources and virtually no modern technical equipment at all. As a result, trading in shares of privitised enterprises will inevitably spill out onto the streets and be carried out in wild, uncivilised forms. Some people will probably snatch and run, others will feel deceived, and altogether will hardly feel secure.

In developed market economies trading in securities is seldom associated with their physical movement. They are usually kept in specialised depositories and when a deal is struck, the only thing that changes is a record in the electronic memory. All stock markets are interlinked with a system of modem and computer communication, which enables the client to buy or sell his shares wherever he or she may be at the moment, free of any fear of deception. Russia with its vast expanses needs such a system more than any other country. Will it create a system of this kind in foreseeable future.

Quite possible, according to Sergey Kravchuk, vice-president of Moscow's central stock market. But this will require a serious support on the part of the state, particularly at the outset. The stock markets themselves, which, as is known, are non-profit organisations, will be unable to cope with this heavy financial load on their own. There is no point in counting on the dissociated participants in the stock market who are only keen, quite naturally, on their own profit.

Mr. Kravchuk bemoans the fact that Russia has yet to pass a law on the securities market. The only regulatory enactment on which the stock markets can rely is the government resolution dated December 1991 and covering only shares and bonds, and saying nothing about promissory notes, cheques and other securities. A draft law on securities was recently drawn up by the Central Bank, and an alternative draft was worked out by the Russian Union of Stock Markets. But it will take time for the parliament to consider the drafts, while only ten days remain before the "D-Day" on which the "voucher dam" is scheduled to fall.

The legislative vacuum will be at least partially filled by a presidential decree, which is expected to be published

one of these days. It remains to be regretted that Russia is again coming up to an important turning point in its economic reform without due preparation.

Chubays Defends Voucher Privatization Program

LD1906140194 Moscow Mayak Radio Network in Russian 2330 GMT 18 Jun 94

[Remarks by Anatoliy Chubays, chairman of the State Committee for the Management of State Property, to Mayak observer Vladimir Pasko; place and date not given—recorded]

[Excerpts] The present concept of privatization is based on vouchers, which the State Committee for the Management of State Property has issued free of charge to Russian citizens so that they can acquire property. I can cite the figures, by the way: Our mid-June results show that over 140 million privatization vouchers will be collected by the end of the voucher privatization [30 June]. This is guaranteed. May be we will even hit 145 million.

Let me remind you that 148 million vouchers have been issued. This means, in fact, that an absolute majority of the population has had an opportunity to invest their vouchers. The state has provided property for these vouchers—has come up with the goods, so to say. This was very important for us because many previous state programs were based on vouchers before but failed: Vouchers for harvest-1990, for northerners, for consumer durables—the Ryzhkov, Pavlov, and Silayev governments all gave vouchers a try. All these efforts failed. Our privatization voucher program is the first to make good the voucher promises.

The final stage of the privatization—the June voucher auctions—is a unique voucher booster: In June we are offering twice as much property for sale as for the total of 1994, including the Norilsk Nickel works, a superb enterprise with a great export potential. [passage omitted]

Now we have the moral right to say: enough, the voucher privatization, the free privatization now ends. Everybody has had a chance to invest the vouchers. [passage omitted]

On 30 June we are beginning a new program, in which money and finances are the most important. This money will be invested primarily in enterprises themselves. How is this going to happen? We will use the tried and tested approaches—including auctions. But these are going to be money auctions, not voucher auctions.

For example, an enterprise will issue a packet of shares worth 40 percent of its value. This 40 percent packet will be offered for sale, at a real auction, for money, with a hammer. There may be three, five, 10, or 15 buyers, and the packet will go to the highest bidder. Most of the money the bidder has paid will go to the enterprise, so it can buy new equipment, cut costs, or do market research. The remaining shares may also be sold.

Some sales may be conditional, for instance on ecological grounds: You can buy this enterprise, but you must know that within five years you must reduce the waste the enterprise throws into the air or into the water. These procedures are possible, they are envisaged by our document. [passage omitted]

Some people say that this is privatization for the rich, and that the grass roots will not benefit. This is a false impression. Look at what is happening. The rich, those who are able to spend a lot of money at tenders, invest in an enterprise, which already has shareholders from the first stage of the transfer to joint stock—members of the work collective who received the 51 percent of shares in-house for example, or those who received shares of the enterprise at voucher auctions. So in fact, those who became shareholders at the first stage of the privatization free of charge are gaining access to financial resources at the second stage. The shareholders win, the enterprise wins, and hence the economy wins. So let me say again that the whole thrust of the new privatization beginning 1 July is in building up enterprises themselves. [passage omitted]

The final objective of the first stage of the privatization was expressed in quantitative terms to create a wide class of shareholders. Even our most fierce opponents agree that there are 40 million shareholders in Russia. Let me remind you that Russia's adult population is 70 million, so in fact there are 70 million owners. They often do not understand what it means and what rights they have, what they can or cannot do, or what dividends they will receive. However, they are owners, and you cannot take away from them the share or shares they own. For us it means that the main objective has been reached: a class of property owners has been created. [passage omitted]

The objective of the second stage is that privatized enterprises must be encouraged to develop quality, not quantity. They should be encouraged to undergo reconstruction—this is becoming a key word for us now—and to fit into the new market using the finances they will have access to at the second state of the privatization. [passage omitted]

I believe the second stage will last two to three years. It will finish of its own accord, when all packets of shares are sold. But as it draws to a close, it will create the secondary market, an important factor of a market economy. The owner of the packet may sell it at some stage, so capital will start moving—from less productive to more productive enterprises. This is what economists call the capital market, without which the goods market will not exist. [passage omitted] Russian privatization will reach this objective.

Reform Foundation Sees 'No Logic' in Edicts

MK1706123094 Moscow NEZAVISIMAYA GAZETA in Russian 17 Jun 94 pp 1, 2

["Abridged" account of statement by the International Reform Foundation under the "Appraisal" rubric: "First Package of Presidential Edicts: One Step Forward, Two Steps Back"]

[Text] The International Reform Foundation has consistently adhered to a socially oriented model of a market economy which can be built only with active regulation by the state.

The president's edicts point to the intention to enhance the role of the state in economic regulation. The spheres where control by the executive branch should be reinforced have been identified correctly: These are credit and monetary relations, tax policy, foreign economic activity, and regulation of the state sector. Amid the obvious weakening of the government's role the president has correctly taken the initiative and demonstrated through these edicts his determination further to reform the Russian economy.

However, an objective assessment of the essence of the edicts promulgated shows that behind their purported good intentions lie antimarket and antidemocratic measures.

After analyzing the edicts, the Reform Foundation has come to the following conclusions:

First. The edicts are largely of an antisocial character. Thus, the rate of contributions to the Social Insurance Fund has been cut by two points.

The edict on tax policy contains a proposal to increase the level of taxation of incomes of individuals and their property. The document shows that this will affect virtually all strata of the population, including highly paid white and blue collar workers, not only rich entrepreneurs.

The edict on normalizing financial settlements has imposed covert limitations on the release of funds for the payment of wages.

The edict on reform of state enterprises covertly annuls the guarantees, arising from the labor laws, for continuation of labor relations with an employee in the event of an enterprise's reorganization.

Second. The edicts seriously undermine partner relations between commercial banks and their clients, both private individuals and corporate entities.

Contracts between private citizens and banking establishments always contain a guarantee of the secrecy of deposits. Under the edict on measures to ensure timely and complete payment of taxes, banks are now obligated to inform tax bodies about any transactions by citizens in a sum equivalent to $10,000 or more. In the present conditions this will undoubtedly cause withdrawals of personal deposits or force citizens to fragment their deposits and legally open dozens of accounts with various banks in order to relieve them of the function of "snoopers."

With respect to corporate entities and banks, this edict provides for a norm abolishing the parties' obligations regarding terms for keeping deposits on accounts. As of now money from a deposit account may be compulsorily written off at any moment by a tax body. Therefore the client will be deprived of interest and the bank of resources.

Third. The edicts do not address the most acute problem: elimination of the nonpayments crisis.

Administrative measures aimed at tightening control over the opening of accounts, establishing a calendar sequence of payments, and granting tax inspectorates the right to uncontested writing off of payments, in the context of hypertrophied imbalances between money and commodity supply, cannot normalize monetary circulation.

Promissory notes surely help partially address the problem of settlements between enterprises but do not eliminate the nonpayments crisis.

Fourth. The edicts do not stimulate investment activity.

Only two provisions of the edicts touch on this major problem. The first is the intention to cut tax rates and the second is tax breaks for enterprises with a large share of foreign capital.

However, the declared quantitative reduction of taxes by 10-20 percent (not points) in fact means negligible amounts, which certainly does not stimulate business or investment activity. Furthermore, the edict applies this requirement only to federal taxes while local bodies may decide on tax problems at their own discretion and proceeding from the needs of the local budget.

As far as the new tax breaks for enterprises with a share of foreign capital are concerned, the following question should be put to the authors of the edict: How many enterprises are there in Russia whose incorporation capital includes a share of no less than $10 million paid in by a foreign partner? At best not more than a dozen, and therefore this break is targeted at specific individuals. Then you should name them.

This provision will not attract new investors because no one has yet taken care to give them reliable guarantees or make our tax legislation stable for at least a year.

Fifth. The edict lifting export licensing and quantitative regulation has strengthened the monopoly position of special exporters and their powers to dictate.

The abolition of all customs privileges does not take into account the need for restructuring and selective support for enterprises in priority sectors of the economy.

Sixth. The edict on reforming state enterprises reduces all problems of state regulation merely to the question of budget maintenance of state enterprises.

The provision limiting the sphere of creating state subsidized enterprises only to industry and agriculture appears dubious. Although it is hardly expedient to create state enterprises in the countryside—they should rather exist in the transport and communications sector.

This sphere is further narrowed to the scope of enterprises banned for privatization. And it is only with respect to this limited range of enterprises that the state is ready to assume the functions of management and support. Therefore 99 percent of federal enterprises retaining their status as state controlled are of no interest to the state.

The president has made a political decision, assuming responsibility for further direction and development of reform. However, there does not seem to be any logic or plan of action behind the edicts issued.

Therefore we propose that they be suspended, especially inasmuch as they infringe citizens' social rights.

We also appeal to the government. Show firmness and finally assume the role of initiator of reform strategy and its implementation. Stop being a firefighting team.

On 10 June this year the president announced that he has signed a second package of edicts. The Reform Foundation considers it its duty, based on independent appraisal, to express its opinion on the second package too, after these edicts have been promulgated.

[signed] Stanislav Shatalin, Leonid Abalkin, Stanislav Assekritov, Vadim Bakatin, Vladimir Kiryushin, Stepan Sitaryan, Martin Shakkum.

Government Owes Enterprises R8.5 Trillion

LD2106085894 Moscow Russian Television Network in Russian 0400 GMT 21 Jun 94

[From the "Vesti" newscast]

[Text] In May, the Russian Government's budget owed enterprises 8.5 trillion rubles. The figure was mentioned during a session of the public chamber of the Russian president by Aleksandr Shokhin, deputy prime minister and minister for the economy in the government.

The deputy prime minister believes that using privatization income to set up an extra-budgetary fund, which could be put into anything from the defense sector to the socio-cultural sphere, could be one way out of the difficult financial situation.

Unprofitable Coal Mines To Be Closed Down

PM2106094394 Moscow IZVESTIYA in Russian 17 Jun 94 p 1

[Report by INTERFAX: "Unprofitable Mines Will Be Closed"]

[Text] This year Russia will earmark 305 billion rubles for closing unprofitable coal mines. For the first time the Russian state budget envisages a separate category for expenditure on such objectives.

In the near future, according to "Rosugol" Company Deputy Chairman N. Garkavenko, there are plans to complete work on closing down five unprofitable pits, including pits in the Pechora coal field. Another six pits will be shut down before the end of 1995.

Yeltsin Edicts Aimed at Housing Problems

PM2006131194 Moscow ROSSIYSKIYE VESTI in Russian 18 Jun 94 p 1

[Article by Aleksandr Livshits: "Anyone Who Wants To Buy a House Can Pay by Installments. Aleksandr Livshits, Head of the Russian Federation President's Group of Experts, Comments on the Latest Edicts Aimed at Developing the Reforms"]

[Text] The edicts signed by the president affect the interests of millions of Russians. In the first place, this relates to documents offering people new opportunities for solving the housing problem.

Three edicts were signed: on housing credits, on housing certificates, and on the sale of unfinished houses. As for housing credits, government decree No. 1278, dated 10 December 1993, approved the statutes on granting Russian citizens in need of better housing conditions free subsidies to build or acquire housing. Consequently, it is a matter for the government, which must keep its word.

More significant is the edict on housing certificates, which enables anyone wishing to do so to buy housing by installments. Under the president's edict, corporate bodies that have the requisite documents, a plot of land, and a house that is in the process of being built, are entitled to issue a new type of security, a "housing certificate," provided they have gone through the obligatory Finance Ministry licensing process and their activities in connection with the certificates are guaranteed by a bank or some other credit institution.

Any Russian citizen will be able to buy a certificate and pay for it gradually, initially, for example, by buying one square meter, thus gradually accumulating the housing space. The certificates are absolutely liquid, that is, they can be sold. But if a citizen has accumulated 30 percent of an apartment, then under the Statutes he is entitled to apply to the issuing body (the one that bought up the property) and conclude a contract for the apartment, bearing in mind that the remaining forms of payment are already regulated. Certainly, further instructions are

needed from the Finance Ministry and Central Bank, but the way is clear to making it easier to tackle the housing problem.

On the one hand, there are now people who have money and want to buy apartments. On the other hand, we have finished or almost finished construction projects and houses. Construction organizations are building or are prepared to build. The idea behind housing certificates is that they bring together the interests of those who want to buy apartments and those who have housing to offer. But all this must be strictly supervised by the state.

Military & Nuclear Issues

Navy Opposes State Control Over Naval Nuclear Sites

LD2006163794 Moscow INTERFAX in English 1511 GMT 20 Jun 94

[Text] Russia's Navy regards as unacceptable the powers of the Federal Atomic Surveillance Committee to control naval nuclear power installations.

The Committee's Spokesman Yuriy Rogozhin told Interfax, his office received a letter from the Navy Commander, Admiral Felix Gromov, proposing interdepartmental inspection over nuclear safety in the navy.

He said the committee is currently empowered to license army units for running their nuclear or radioactive facilities and inspect them. These powers were backed up by a decree issued by the president on November 12, 1992.

The committee believes interdepartmental inspection instead of state control could lead to incidents at naval nuclear sites.

Commander Discusses Baltic Fleet Changes

PM1706135794 Moscow KRASNAYA ZVEZDA in Russian 17 Jun 94 p 1

[Interview with Admiral Vladimir Yegorov, commander of the Baltic Fleet, by Captain First Class Valeriy Gromak; place and date not given: "New Face of Baltic Fleet. Baltic Fleet Commander Admiral Vladimir Yegorov Answers KRASNAYA ZVEZDA Correspondent's Questions"]

[Text] [Gromak] Vladimir Grigoryevich, the Russian flag was lowered over Liepaja Naval Base on the first day of summer. The last day of summer will also be the last day spent by Russian sailors in any of the Baltic countries. What next? What will the [Baltic] Fleet look like once the force withdrawal process has been completed?

[Yegorov] First and foremost—and this is the main thing—the Fleet should remain the Fleet, as an integrated operational-strategic formation of the Russian Federation Armed Forces in the Baltic designed to protect the Russian state's interests in the region.

Of course, the face of the Fleet will be different from what it was prior to the withdrawal of forces from the Baltic states, where we are leaving behind four basing centers, their airfields, and a large number (from 15 percent to 80 percent in certain cases) of military infrastructure installations—communications units, ship-repair yards, electronic posts, installations providing navigation and hydrographic support for the safety of shipping in the Baltic, and warehouse installations able to store large quantities of material and technical means.

But we have completely withdrawn both warships and auxiliaries, all our aircraft, motor vehicles, technical systems, and stores, and are relocating them on the territory of Kaliningrad and Leningrad Oblasts. The basing conditions will be more cramped, of course, but there will be no other losses.

[Gromak] But perhaps there should be further cuts that would make it possible to improve basing conditions?

[Yegorov] Apart from Russia, nine other states have access to the Baltic Sea. And each has a navy as a most important component of its armed forces. Estonia, Latvia, and Lithuania, having gained independence and despite their serious economic difficulties, are also setting up their own navies. And that is entirely natural. Each state in our by no means peaceful age should be prepared to defend its interests not only on land but at sea as well. These include prospecting for oil on the continental shelf, fishery protection, and ensuring the safety of merchant shipping. So Russia too should have a modern navy to safeguard security and protect its own state interests in the Baltic.

[Gromak] What will the Baltic Fleet be like?

[Yegorov] There will be two naval bases within the Baltic Fleet—the Baltiysk and Leningrad bases—one force of major surface combatants, one force each of auxiliaries and search-and-rescue vessels, the Fleet air force, coastal troops, and logistical, technical, and special units. The Baltic squadron of various force organizations and the assault landing ship force will be disbanded.

[Gromak] Does this mean that, apart from things being disbanded and cut back, there will also be an expansion via the Leningrad Naval Base?

[Yegorov] Essentially the Leningrad Naval Base is already to a considerable extent part of the Fleet and under its operational jurisdiction. Now that Lithuania and Belorussia [Belarus] have become independent states and Kaliningrad Oblast's territorial isolation from other parts of Russia has become a reality, we face the acute issue of the need to have a rear services base to build up stores and prepare reserves on the main territory of Russia. The Leningrad Naval Base will fulfill the role of such a rear services base for the Fleet.

Concern Over Safety of Nuclear Stations

LD2006163894 Moscow INTERFAX in English 1511 GMT 20 Jun 94

[Text] Sergey Adamchik, a senior official at the Russian State Nuclear Safety Agency, told Interfax that Russia at present cannot modernize the power units of first generation nuclear stations that do not meet modern safety standards. He said that because of inadequate financing the agency cannot afford rapid checking of the reactors. "The government can economize on everything, except safety at nuclear facilities," Adamchik said.

He said safety at first generation power units was discussed at an international conference in Obninsk held under the auspices of the International Nuclear Energy Agency. In addition to Russia it was attended by 12 West and East European countries as well as Japan. The conference stressed the burning need to modernize first generation stations depending on the economic and political situation in each country.

Federal Assembly

Federation Council Votes for Peacekeepers in Abkhazia

LD2106103294 Moscow ITAR-TASS in English 1010 GMT 21 Jun 94

[Text] Moscow June 21 ITAR-TASS—The Russian Federation Council today met behind closed doors to debate the sending of Russian troops to Abkhazia to police the zone of conflict between Georgia and its break-away autonomy. The upper house eventually approved the move.

Defence Minister Pavel Grachev told journalists that the absolute majority in the upper chamber voted for conducting the peace-keeping operation in the region".

"To me, this is an order to act," Grachev said. "As soon as the mine-clearing operation is reported over, we will get down to the peace-keeping operation proper, including posting sentries and setting up checkpoints," he said.

The defence minister said that the operation will begin with the relocation of two battalions from Batumi and paratroopers from Gudauta. Later, two more battalions will be airlifted from the Leningrad and Privolzhskiy (Volga) Military Districts to reinforce the group. A total of 3000 men will take part in the peace-keeping mission in Abkhazia.

Grachev said preparatory work was done over the past few days, particularly as concerns the mine-clearing operation which defused a great amount of explosives and bombs in the area. Control points were set up, communication lines laid and material and other resources were stocked.

Asked about the funding of the peace-keeping operation in Abkhazia, the defence minister expressed the hope that the deputies would soon adopt a decision on funding the mission from sources other than the ministry's budget. He said the mission would require the outlay of 10 to 11 billion roubles until the end of this year.

It is not yet clear whether other Commonwealth member states will take part in the mission, Grachev said. But the question about it will be raised at the Commonwealth summit in September, the minister said.

Federation Council Declines To Debate Budget

LD2106083194 Moscow ITAR-TASS in English 0808 GMT 21 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow June 21 TASS—The Upper House of the Russian Parliament has declined to include an item about the country's federal budget for 1994 on its agenda today.

Federation Council Chairman Vladimir Shumeyko told the chamber that the Lower House, the State Duma which approved the budget upon second reading, failed to forward it to the Upper House.

The Federation Council speaker also informed the members that the Duma refused to hear the Upper House Budget Committee Chairman Nikolay Gonchar who wanted to inform the Duma about objections to some articles of the federal budget.

According to Shumeyko, the State Duma plans to return to the draft budget before forwarding it to the Upper House of the Russian legislature.

The Federation Council decided to hear Nikolay Gonchar's report on Tuesday afternoon and call upon the Duma to take due account of the proposals made by Federation Council members.

The debate about the proposed budget is nonetheless likely to take part when the chamber goes down to the "any other business" item under pressure of the pickets outside the building who demand prompt support for the defence industry.

Federation Council Held on Restitution of Art Works

MK2106064594 Moscow NEZAVISIMAYA GAZETA in Russian 21 Jun 94 p 1

[ITAR-TASS-"NG" report under the "Restitution" rubric: "Deputies Decide What To Do With Treasures"]

[Text] Parliamentary hearings were held yesterday at the Federation Council on a range of problems connected with the legal status and preservation of displaced cultural valuables. As has been noted at the committee for

the questions of science, culture, and education, the resolution of questions of restitution is considerably hampered by the absence of a legal base for looking at the entire range of problems connected with restitution of cultural valuables and the absence of guarantees from Germany and the other states on restoring to Russia a huge number of works of art and archive files plundered by the fascists during World War II. Over those years, Russia lost more that 200,000 works of art.

The hearings were attended by deputies of both Federal Assembly chambers, representatives of the Russian Government, the president's staff, ministries and departments, science institutions, museums, and archives. Several reports were heard from scholars, jurists, and cultural figures, presenting various points of view on this question. The main question of these debates was, what is the Russian side going to take to the scheduled sitting of the Russian- German commission on restitution. At the time of going to press heated debates on the problem were in progress.

Duma Votes For Smaller '94 Military Budget

OW2006143494 Moscow Russian Television and Dubl Networks in Russian 2309 GMT 18 Jun 94

[Announcer-read report; from the "Aty-Baty" program]

[Text] We continue our review of the leading military and political events, of which the main item is the adoption of the state budget for 1994. The budget allocation for national defense was one of the fundamental complications in the ratification of this annual financial plan. May we remind you that at the first reading of the draft budget, the State Duma, by a majority of votes, adopted the government proposal and ratified the military budget in the amount of 37 trillion rubles [R]. The Duma's decision was turned down by the Federation Council, which deemed that the expenditure for military needs should be R56 trillion, and the draft was returned to the lower house for further examination. The State Duma, in considering this issue again, came to the conclusion that it could allocate no more than an additional R4 trillion for all military expenditures. Thus, the maximum figure the military can count on in 1994 is R41 trillion.

It is important to note that the shortfall in the amount requested by the Defense Ministry will most probably be the substantial reason for not satisfying social needs of servicemen in the current year, primarily in respect to their housing needs, daily life, and medical services. The most unexpected thing in this whole affair was that Boris Nikolayevich Yeltsin, president of Russia, the person on whose backing the Ministry of Defense counted most of all, supported the Duma's initiative in limiting the 1994 military budget.

Duma Discusses North Korea Behind Closed Doors

LD2006131094 Moscow ITAR-TASS World Service in Russian 1134 GMT 20 Jun 94

[ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow, 20 Jun (ITAR-TASS)—Vladimir Lukin, chairman of the Russian State Duma Committee for International Affairs, thinks that Russia should "more closely coordinate" its actions with Washington on the issue of a possible introduction of sanctions against the DPRK.

This issue was discussed today at a closed session of the Duma Committee for International Affairs. The DPRK's ambassador extraordinary and plenipotentiary to Russia participated in the meeting.

Vladimir Lukin told the ITAR-TASS correspondent that the discussion showed that "the North Korean position is still not quite clear." According to him, the DPRK "is either trying to 'bargain' for better conditions, or gain the time necessary to conclude work on the creation of a nuclear weapon."

Duma To Hold Hearings on Closed Cities Problems

MK2106060094 Moscow SEGODNYA in Russian 21 Jun 94 p 1

[Yuriy Rogozhin report: "Prospect of Closed Cities"]

[Text] The State Duma council has decided to hold hearings, before the parliament recess, on the problem of closed cities—there are more than 100 of them in Russia and their population is several million. All the nuclear- and defense-related cities face the same problems—falling production, unemployment, environmental pollution. The committee for industry, energy, and transport is planning, as part of preparations for the hearing, to hold a conference in Tomsk-7 at the end of June with representatives of the other closed cities and interested departments.

Shumeyko Proposes To Extend Term of Lawmakers

LD2106115394 Moscow ITAR-TASS in English 1121 GMT 21 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow June 21 TASS—Vladimir Shumeyko, the chairman of the upper chamber of the Russian parliament, called on Tuesday to extend the mandate of the members of the Federation Council which expires in 1995.

His proposal is caused "not by the desire of lawmakers to retain the positions, but by the interests of the state",

Shumeyko told reporters and explained that it is necessary to preserve the experience accumulated by the members of the upper chamber.

According to the constitution, the Federation Council is to include two representatives from each subject of the Russian Federation: one from the legislative and one from the executive body of state authority. However, the upper chamber of the first convocation was elected for two years in December 1993.

Shumeyko's proposal contradicts the constitution, but the speaker believes the problem can be resolved through a nationwide referendum. "This will be cheaper than new elections", he said.

Shumeyko added that he had informed the president and the speaker of the lower chamber about his decision. They both "agreed in principle with that", he said.

Zhirinovskiy Presents Privatization Concept to Duma

LD1706152094 Moscow INTERFAX in English 1419 GMT 17 Jun 94

[Text] The Liberal Democratic Party's [LDP] faction is demanding that the Duma act promptly to prevent the privatization program for 1994-1996 from taking effect in disregard of the constitution and the Duma. The demand, which comes in a statement by the faction leader Vladimir Zhirinovskiy, was circulated in the parliament's lower house today.

He says that on June 14 the Privatization Commission of the State Property Committee approved the privatization concept and program devised under the guidance of the commission's Chairman Anatoliy Chubays and drafted a decree on how to implement this program.

He reports that his faction has prepared an alternative concept for the president, government, and Security Council and insists on giving it as much publicity as the government's package.

The LDP faction maintains that the Duma should differentially distribute incomes from privatization and denationalization and proposes that the State Property Committee be abolished and a committee to oversee property relations be set up and a state committee be formed to control Russia's property abroad. The Liberal Democrats also want all privatization profits, including those remitted abroad, to be progressively taxed. To cut the budget deficit, they consider it necessary to slash aid to former Soviet republics.

More on 'Decembrists' Walkout From Duma Sitting

PM2006123994 Moscow IZVESTIYA in Russian 17 Jun 94 p 2

[Report by Irina Savvateyeva: "Scandal in the Duma: 'Decembrists' Slam the Door"]

[Text] On Wednesday [15 June] the leaders of the "12 December Liberal-Democratic Union" deputies' group said that its members felt they could no longer participate in the Duma's plenary sittings. They marched out of the hall. This action was prompted by the cancellation of the decision to register the group.

The cancellation of the decision to officially register the group, made 14 April, was proposed by the State Duma Work Organization Committee. The reason being that at the time of voting, as it turns out, the group did not have the requisite 35 deputies' applications.

But Boris Fedorov, the group's leader, categorically denied the charge. Fedorov claims that the "Decembrists" put in 38 applications for registration, and copies exist. But all efforts by representatives of the group to find out from the committee which applications are deemed to have been forged failed.

The controversial question was submitted for the State Duma council's consideration last Tuesday [14 June], but the discussion was postponed for a week in order to establish all the facts.

But Duma Deputy Speaker Mikhail Mityukov sanctioned the circulation of the decision to disband the "Decembrists" among the deputies without waiting for the facts, Boris Fedorov and Irina Khakamada said at a press conference. The group's members regard this decision as illegal and are refusing to participate in the Duma's work until it is revoked.

In his assessment of what had happened, Boris Fedorov said that it had been "the usual political provocation." He saw the coalition of "Zhirinovskiyites" and "Russia's Choice" people, who "have been gnawing away for six weeks now at the question of the registration of the 'Decembrists' deputies' group", as being behind the "provocation."

The former have said more than once that they are unhappy with the fact that the "Decembrists" now also call themselves liberal democrats.

"Russia's Choice's" involvement is demonstrated, in Fedorov's view, by the fact that both Mr. Mityukov and Duma Work Organization Committee Chief Vladimir Bauer are deputies of this faction.

The fact that Fedorov is fighting with Zhirinovskiy over more than just the right to be involved with the liberal democratic camp is nothing new, God knows. Some observers tend to see the conflict in the democrats' camp as a consequence of the changes that took place at the last "Russia's Choice" party congress.

This party, as is known, contains two nuclei—the "Russia's Choice" movement and the "Democratic Russia" movement, coexisting not without some friction. And whereas last October, at the congress of the "Russia's Choice" electoral bloc, representatives of the former movement emerged in the top roles (and they included

such figures as Fedorov, Burbulis, Poltoranin, Yushenkov, Murashev, and Golovkov), at the latest congress the "Democratic Russia" people (Zaslavskiy, Shneyder, and others) prevailed. Now, according to observers, the victors will endeavor to keep other representatives of the democratic movement from becoming party leader.

In this connection it is suggested that the Gaydar-Fedorov split could well have its roots in the confrontation between the founders of the democratic movement and other representatives of democrats.

Regional Affairs

Yeltsin Disappointed With Amur Economic Situation

PM2006114794 Moscow SELSKAYA ZHIZN in Russian 17 Jun 94 p 1

[Report by Vladimir Davydenko: "President Pleased with Partizan Agrifirm"]

[Text] Amur Oblast—At his final press conference in Blagoveshchensk, Boris Yeltsin did not hide his disappointment at what he had seen in Amur Oblast: "I did not expect the oblast to have accumulated so many problems."

The president formed this impression after visiting the shipbuilding plant at Blagoveshchensk and the oblast "exhibition of achievements," dropping in unexpectedly at the first store en route, and holding two meetings with the leaders of the Amur region.

Boris Yeltsin also visited the village of Razdolnyy and the Partizan Agrifirm. In contrast, he was pleased with the latter visit. All the sectors in the firm are profitable. Last year each cow yielded almost one-quarter of a tonne of milk here, and 12,000 tonnes of soybean and 15,000 tonnes of grain crops were harvested. The firm has energetically set about building shops to process its own produce.

But today's stable situation could have a downturn tomorrow, the workers were told by the president. Following the very good soybean harvest, it suddenly became apparent there was nowhere to store it. Plants in Irkutsk and Khabarovsk took 1 billion rublesworth of beans off the agrifirm, but have simply not paid for it.

Regarding the soybean in Amur's silos, Russian Vice Premier Aleksandr Zaveryukha, who was accompanying the president, said that it will very soon be taken into state stocks. The president advised them, however, to embark immediately on the construction of a plant in the oblast capable of processing 300,000 tonnes of soybean per year. That is the priority task today, as problems with the sale of soybeans will recur every year. "Put all your efforts into constructing the plant, we will provide the money," Boris Yeltsin assured them.

The peasants complained that they had been unable to modernize their pool of combine harvesters for three years now. First, they don't have the money; second, the only plant in Russia producing tracked combine harvesters—Dalselmash, in the city of Birobidzhan—is at a standstill.

The president met the peasants of the Far East half-way here. While still in Blagoveshchensk, he gave the Finance Ministry the order to, as he put it, "unseal" Dalselmash, that is to say, provide it with finance. And another gift, this time a personal one, was bestowed by the president on Vladimir Byatets, Partizan's best combine harvester operator. Boris Yeltsin met with him and personally presented him with a Dalselmash tracked combine harvester....

Deputy Minister, No. Ossetia President Hold Talks

LD1706151894 Moscow ITAR-TASS in English 1442 GMT 17 Jun 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz June 17 TASS—At a meeting held here today between North Ossetian President Akhsarbek Galazov and Russian First Deputy Interior Minister Colonel-General Yevgeniy Abramov, they discussed the implementation of the Russian presidential decree on "the introduction of an emergency situation in a part of the territory of the North Ossetian and Ingush republics" issued on May 30, 1994.

This document empowers the Russian Interior Ministry, the Federal Counter-espionage Service and the provisional administration forces from the russian defence ministry, to take measures to prevent armed clashes between hostile sides, to ensure the safety of civilians and the strict observance of the emergency rules and regulations.

According to Yevgeniy Abramov, the Russian presidential decree on the return of refugees and Russian Federation Government decisions to implementing the decree must be carried out. However, refugees should not be simply returned to their villages, but their security and normal living conditions should also be ensured. The minister expressed concern over the large quantity of arms possessed by the population, and over the activities of unlawful armed formations, which are trying to destabilize the situation and undermine the implementation of the Russian presidential decree.

Far East Leaders Discuss Draft Presidential Edict

PM2006131994 Moscow ROSSIYSKAYA GAZETA in Russian 18 Jun 94 First Edition p 1

[Item from roundup of ROSSIYSKAYA GAZETA, ITAR-TASS reports under the "Yesterday, Today, Tomorrow" rubric: "Far Easterners Discuss Incentives"]

[Text] A draft presidential edict "On Special Measures in Managing the Socioeconomic Development of the Far East and Transbaykal in 1994-1995" was discussed yesterday at a session of the Interregional Association for Economic Collaboration Between Federation Components in the Far East and Transbaykal.

Territory leaders believe that it is essential to set uniform electricity and heat tariffs for Siberia and the Far East, to recompense from the budget 50 percent of the expenditure incurred both on importing fuel and foodstuffs into the region and on exporting produce made here, and to repay the debt owed by the federal budget to state sector enterprises. The draft also provides for restrictions on tax deductions from profits, and customs and tax incentives.

Funds Made Available To Pay Defense Workers' Wages

PM2006133594 Moscow ROSSIYSKAYA GAZETA in Russian 18 Jun 94 First Edition p 2

[Unattributed report: "Wages for South Urals Defense Workers"]

[Text] Some 230 billion rubles have been transferred for the express purposes of extinguishing indebtedness in respect of wages due to workers at defense enterprises in the South Urals. This was announced by Deputy Finance Minister Andrey Astakhov at a joint sitting of the government commission, the Chelyabinsk Oblast leadership, and defense sector enterprise directors. Thus, the first step toward remedying the critical situation prevailing here has been taken.

The arrival of an authoritative Russian Government commission at one of the country's leading industrial regions and its tour of a number of major enterprises and the Defense Complex Design Bureau was seen by Igor Velichko, general designer at the State Missile Center, as a show of genuine interest on the part of the leadership of ministries and departments in ensuring the stabilization of the work of the military-industrial complex.

Military Faces Problems in Supplying Arctic Garrisons

PM2006133194 Moscow KRASNAYA ZVEZDA in Russian 17 Jun 94 p 3

[Aleksandr Davidyuk report: "Better a Hard Shipping Season Than a 'Nightmare' Winter—Obstacles on the 'Lifeline' for the Far North Garrisons"]

[Text] Spring was late arriving in Tiksi. And this means that in the remaining six to eight weeks every necessity, from tacks to fuel, will have to be brought to the northern garrisons of the Transbaykal Military District. The lion's share of freight for the "God-forsaken" polar region is conveyed by ship along the Lena river. The waterway is virtually the only route into these regions. At the very least, it is the cheapest.

"A great deal of work rests on the servicemen's shoulders. We will have to ship around 55,000 tonnes of fuel and lubricants, over 2,000 tonnes of food, personal equipment, medicines, and much much more. In all, this represents 60,000 tonnes of cargo," Colonel General Valeriy Tretyakov, commander of the Transbaykal Military District, told me in conversation. "On top of all that, the river workers have sprung an unpleasant 'surprise'—prices for conveying cargoes have shot up."

But although they have managed somehow to cope with the transportation payments—Moscow allocated some money—the fact is that everyday welfare problems are somewhat more pressing. It is no secret to anybody that Northerners are abandoning their local areas and moving away. They are moving to the former Union republics and to the richer cities. Their actions are understandable. The wage, for instance, of a kindergarten teacher stands at 150,000 rubles. Officers' and ensigns' pay is just 50,000 rubles more than for their colleagues in other regions. Priority provision of consumer goods is a thing of the past. Food products and fruit and vegetables are two or three times more expensive than "on the mainland." Add to this the climatic conditions....

There is a dire shortage of experienced specialists and highly skilled workers readying the garrisons of the Far North for the long winter. A similar picture can be seen in the troop collectives. Things are particularly difficult when it comes to filling jobs for enlisted men and NCO's. Every draftee tries by hook or by crook to serve just that bit closer to home. The soldiers who remain are those from among the handful of Arctic peoples. But they are too few in number to "plug the gaps" in personnel numbers.

The conditions being generated by the military leadership should also be mentioned. Among the most important is the reduction in the number of small garrisons lost in the tundra or deep in the taiga. An agreement has been reached with welders and workers in other trades from Belorussia [Belarus]. They will be traveling to Yakutia soon to help prepare the military camps for the winter. Officers from all the district rear services in the okrug and the people responsible for shipping military freight along the "lifeline" route are out working on the spot.

...The shipping season looks set to be difficult. But it is better for the shipping to season to be hard than the forthcoming winter.

Stavropol To Introduce Entry Restrictions

PM2006154194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Jun 94 First Edition p 2

[Report by Lyudmila Beldyugina: "'Warm Climes' Going Under Lock and Key. Stavropol Kray Preparing for Introduction of Visa Regulations"]

[Text] Stavropol Kray's State Duma Committee for Legislation and Human Rights has prepared a package of

documents confirming the status of this vast border kray as a territory with special immigration regulations.

This resolute attempt to bring immigration under strict control was the result of a significant deterioration in social welfare and the level of crime here. Deputies consider that one main, if not the main reason for this is the uncontrolled and barely verifiable process of rapid settlement of this land of plenty by citizens of former USSR republics, in particular from the Transcaucasus.

What is more, you cannot in any way classify those coming to the kray to settle permanently as unfortunate, dispossessed refugees and forced migrants. During the years 1990-1993 almost 500,000 people moved to the kray as permanent residents, but only 10 percent of them are registered at the kray immigration service as forced migrants. Only about 2,500 have officially registered as Russian citizens, while the remainder are citizens of other CIS states. There are people living within Russia who are, it would seem, free from the obligations of Russian Federation citizens, in particular military service. Young people who dodge the draft feel "unrestrained" in everything else as well. Very often they come into conflict with the law and public moral standards. This provokes genuine revulsion among the indigenous population of the towns and villages, who often turn against all "ethnics" in general. Reports about village assemblies ending in ultimatums and demands that "outsiders" be evicted from this or that population center are all over the local press.

Unregulated mass immigration is causing the general quality of life in the kray to deteriorate sharply. You are struck by the unusually high prices for the south of food in the markets and of manufactured and household goods in the stores. Prices here are higher than in Moscow and other Russian industrial centers, and incomes are a lot lower.

But even this is not the main point: The whole of Stavropol Kray's infrastructure is bursting at the seams. A minimum of 40 new schools and an even greater number of kindergartens need to be constructed for the immigrants' children—there has been an increase of 40,000 children in the past three years. A further 9 billion rubles are required for medical services for the newcomers. But the kray's treasury is empty.

Yet many of the newcomers immediately buy up individual homes, garages, plots of land to build on, luxury dachas, and other real estate. Information about this in the possession of the service for fighting organized crime, which for the moment cannot be disclosed as there is a secret investigation in progress, is—take my word for it—very impressive.

Representatives of many kray departments, parties, movements, and members of the intelligentsia participated in the stormy parliamentary hearings on problems of immigration. Practically all the participants came out in favor of introducing special immigration regulations. With the exception of Yevgeniy Borodin, cochairman of the kray organization of the "Democratic Russia" movement. He considers that the proposed measures are not in keeping with the Russian Federation Constitution and infringe human rights. He sees a danger in overzealous officials' introducing visa regulations "with a strong element of Russian nationalism." For example, Professor A. Avksentyev, who is well-known in these parts, stated directly: "In immigration, priority should be given to the Russian population, and all others should be regarded as having foreign status...."

The motivation of the advocates of the "Russified approach" is equally serious: The proportion of Russians in the overall population of this kray, where more than 100 peoples and nationalities live, has begun to fall in recent years. There is also every sign that this trend will strengthen. What is more this is a trend with a clear criminal coloration. Corrupt Stavropol officials are accepting enormous bribes to grant inhabitants of the Transcaucasus—people who are on the whole well-to-do—permits to live in cities and population centers in the Mineralnyye Vody area of the Caucasus. Although there is a strict quota for residence permits here, this proves to be no obstacle. The quota has been exceeded twice over in the past three years.

The deputies propose introducing different payments for residence permits in different regions while stepping up the monitoring process to check that quotas are adhered to. In the kray center it will cost immigrants from Russia 500 times the minimum wage, while it will cost immigrants from the CIS 1,000 times and foreigners 2,500 times the minimum wage. It is proposed to permit the entry of foreign citizens, including those from former USSR republics, and persons without citizenship only on production of an invitation from an inhabitant of the kray or a corporate body registered there. It will only be possible to register for permanent residence with the backing of an enterprise, organization, a state or municipal body, or relatives. A mechanism has also been produced to expel from the territory people who have gone there without a visa.

The participants in the hearings complained once more about the legal mess over the border between Russia and Chechnya and again appealed to the Russian Government. "It is absolutely essential to finally determine our position vis-a-vis Chechnya," Nikolay Novoseltsev, hetman of the kray Cossack union, said indignantly. "If this is a republic which is part of Russia, order must be established there; if it is not, the border with it must be firmly closed."

The situation really is unbearable: A wave of violence, robbery, and murder is spreading unimpeded from Chechnya across the whole of southern Russia. After making their "raids," the criminals hide there on its territory and feel absolutely safe there. It is not as if the borders here were "transparent."

So the Stavropol deputies and public have approved the legislative base for immigration regulations produced by

the duma committee. In the opinion of committee chairman Viktor Khloponi, a well-known kray specialist on combating organized crime and corruption, the local parliament will examine the question of introducing the visa regulations at its next session.

Altay Kray Adopts Own Privatization Regulations

PM2006133794 Moscow ROSSIYSKAYA GAZETA in Russian 18 Jun 94 First Edition p 1

[Report from ROSSIYSKAYA GAZETA/ITAR-TASS column: "Altay Introduces Own Privatization"]

[Text] The kray legislative assembly session yesterday adopted the "Law on the Privatization of State Enterprises in Altay Kray."

It envisages the sale of privatized property solely for money, since vouchers are now past their validity date. Privatization methods have been widened to include methods not contained in the corresponding Russian law. They are contracts, transfer of packages of enterprise shares to private control, step-by-step privatization of loss-making and low-profit enterprises, and privatization involving the process of dividing up debts and property. The adoption of this kind of law at regional level is unprecedented in Russia.

New Magadan Political Association Wins Local Duma Seats

PM2006113194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Jun 94 First Edition p 2

[Report by Mikhail Gorbunov: "Kolyma Unites"]

[Text] Magadan—A new political association has been registered in Magadan Oblast. It is called "Civic Union of Kolyma." It includes representatives of sundry political parties and movements from the region which have addressed a "statement" to northerners setting out the union's basic program provisions.

Just the other day the second stage of elections to the Oblast Duma and Magadan City Duma were held in the oblast. The elections, in which 27 percent of the voters took part, were successful. Former USSR Supreme Soviet Deputy Vladimir Yudin and a number of his colleagues from the "Civic Union of Kolyma" became Duma deputies. More than half the Duma members are heads of rayon administrations and personnel from the oblast's state structures. One of the main topics in the election program was the preservation of the economic and social potential of one of the principal northern regions.

International Affairs

Israeli Business Delegation Views Cooperation Prospects

LD2006211494 Moscow ITAR-TASS in English 2044 GMT 20 Jun 94

[Report by UKRINFORM correspondent Aleksey Trotsenko]

[Text] Kiev 21 June TASS—A delegation of Israeli businessmen led by Minister for the Absorption of Immigrants Ya'ir Tzaban currently on a visit to Kiev split into several groups and held talks with representatives of Ukrainian ministries and departments on Monday [20 June].

Ukrainian Vice-Prime Minister Valeriy Shmarov met with one of the groups of the Israeli businessmen, led by President of the Federation of Israeli Commerce Chambers, Daniil Gillerman. The sides exchanged opinions on prospects for the development of Ukrainian-Israeli contacts.

Gillerman pointed out that the Israeli delegation numbers almost 100, which shows that the relations between the two countries have been intensively developing. The Israeli businessman said that Ukraine and Israel have good prospects for cooperation which should be realised. Ukraine might and will become Israel's priority partner, and the main trends and spheres of our cooperation should be determined as soon as possible. We hope that this goal will be reached during the current visit, Gillerman said.

Defense Minister Seeks Support From Chicago Community

LD2006164394 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 20 Jun 94

[Text] The head of a Ukrainian military delegation, Defense Minister Vitaliy Radetskyy, has held several meetings in Washington's White House. Intensive talks at different levels have been held during the Ukrainian delegation's official visit to the United States, the Ukrainian Defense Ministry Press Service reports. In Chicago, Vitaliy Radetskyy and his colleagues were warmly greeted by the local Ukrainian community. In his address to its members, Radetskyy dwelled in detail on the course of Ukraine's army building. He stressed that the present state of military and technical capability in the Ukrainian Armed Forces is quite sufficient for the defense of the Ukrainian state. At the same time, Radetskyy pointed out the problems of servicemen's social protection. The most urgent of these, he said, is the housing problem, in the solving of which Ukraine could use, as far as possible, the assistance of the Ukrainian community in the United States.

Kravchuk Calls for Stronger Economic Ties With Russia

LD2006134694 Moscow ITAR-TASS in English 1322 GMT 20 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Donetsk 20 June TASS—"Unless the price of Ukrainian goods is lower than that of Russian goods, customs checkpoints must continue to function," Ukrainian President Leonid Kravchuk said.

Speaking at a meeting with the workers of the Azovmash machine-building plant in Mariupol, Ukrainian port city on the Azov Sea, on Monday, Kravchuk said that "we cannot allow the scanty Ukrainian market to become empty. If we open up the borders now, the major part of consumer goods and agricultural produce will be taken out to the Russian Federation."

"Presently, due to objective reasons we have a situation when the same goods made in Russia and Ukraine have different production costs," Kravchuk continued. He believes that production cost largely depends on the price of energy carriers, the bulk of which Ukraine receives from Russia.

"If Ukrainian enterprises paid for oil and gas as much as Russian plants and fabrics pay, then we would need no customs checkpoints. Trade between Ukraine and Russia would become state business, not private," he said.

Kravchuk stressed that "trade relations between Ukraine and Russia must develop and expand." "Such great powers must have strong friendly and economic ties," he added.

Sevastopol Association Urges Union With Russia, Belarus

WS2006114394 Simferopol KRYMSKAYA PRAVDA in Russian 8 Jun 94 p 2

[Interview with Ivan Yermakov, chairman of the "Union- Prosperity in Unity" association, by V. Glinskiy; place and date not given: "Union-Prosperity in Unity"]

[Text] The "Union-Prosperity in Unity" [Soyuz-Protsvetaniye v Yedinstviye] association has recently been registered in Sevastopol. It brings together political activists, deputies, economic leaders, workers, businessmen, servicemen, culture workers, and artists. What goals does the union pursue? Ivan Fedosovich Yermakov, chairman of the association, answers this and other questions.

[Glinskiy] Ivan Fedosovich, there are dozens of parties, civil organizations, and movements in the city, and now another one has appeared. What goals does the union pursue and why was it established?

[Yermakov] Currently, when the overwhelming majority of our city's residents live below the poverty level, all who have ended up in poverty are looking for salvation, for a way out of the abyss. In the first place, the people were appealing to the Ukrainian president, Supreme Council, and Cabinet of Ministers with requests and demands to halt the pilferage of our country, to not break ties with neighboring countries, and to actively implement reforms, in this way preventing a further decline in production and inflation. The people's voice was not heard by the people in power.

Currently, it seems that the state is unable to protect its citizens, in terms of social and legal protection. The old bureaucratic elite is neither able to conduct reforms nor handle state processes. For a long time, there has been a situation when the upper class cannot, and the lower class does not want to live in the old way. We have been talking about democratic society for almost 10 years. What do we have? The great Russian author Aleksandr Solzhenitsyn, who has recently returned to his motherland, termed this period pseudo-democracy. He was right.

The people are still carrying the heavy burden of violence, bureaucracy, and corruption, and they actually do not have any control over the authorities. This lack of control has untied the hands of the ruling elite, which has sold out its people. Currently, to maintain its power, it is inspiring interethnic hostilities and destroying the centuries-long unity of the Russian, Ukrainian, Belarusian, and other people.

[Glinskiy] As I understand, a new stage of the battle for real democracy, based on popular rule, has recently begun. This has been reflected in your association's platform.

[Yermakov] Our association considers the unification of Slavic states—Ukraine, Russia, and Belarus—as well as nations inhabiting them, to be a priority. Polls indicate that about 80 percent of these countries' people want to live in friendship. They are united not only by Christianity and a common alphabet, sanctified by the names of Cyril and Methodius [inventors of the Cyrillic alphabet], but also by family ties. They are united by the huge economic and geopolitical territory, which was conquered by their ancestors in a hard struggle, and which must be preserved for their children and grandchildren. The Slavic people's prosperity and security lie in their unification...

[Glinskiy] Ivan Fedosovich, while reading your platform, I paid special attention to the excerpts concerning economic ties between countries and regions, the establishment of regime supporting revival of economy and new and old economic ties, the liquidation of quotas, licenses, exhausting taxes, etc.

[Yermakov] Our union has a precise program. It provides answers to such urgent questions as halting the decline in economic and agricultural production, integrating Sevastopol's economy with the Crimea, and improving Crimeans' living standards and ecological situation. The stabilization and way out of the crisis is based on the recognition of all forms of property, development of medium- sized and small business, entrepreneurship, competitive production, and access to markets. Ideas of the "Union-Prosperity in Unity" are close to those of other public organization. For example, a conference of Russian, Ukrainian, and Belarusian democratic forces has recently been held in Kharkov. In the interests of the Slavic people's rapprochement, the governments were requested to adopt legislative acts on the establishment of unified economic zone. As everybody knows, 12 bordering oblasts of Russia and Ukraine have set up transparent borders. Cultural and sport ties are also developing. The city of Sevastopol, for instance, strengthens its ties with Moscow, Krasnodarskiy Kray, St. Petersburg, Minsk, and Kiev.

[Glinskiy] The actions of your union and other democratic forces call forth discontent among the bureaucratic elite and nationalists of all breeds, who are currently playing the last card, to preserve themselves in power. This card serves to scare people. They openly talk about a new Karabakh, Yugoslavia...

[Yermakov] Conflicts are imposed on the people against their will. The countless army of bureaucrats, feeling neither the government's bridle nor responsibility before the people, flexes its muscles at all levels. Let us look at the current conflict between the Crimea and Ukraine. As everybody understands, the Crimean people have the right to defend their political, economic, and personal interests through the adoption of their own Constitution. This is being done in accordance with international norms and agreements recognized by the entire civilized world.

I personally recognize Ukraine's western oblasts' right to self- determination, and I am ready to support them. This is their right, and it should be unconditionally respected.

[Glinskiy] Is your criticism of the Ukrainian president and highest authorities not a result of personal resentment against Kravchuk, who removed you from the office of presidential representative and Sevastopol City Administration chairman?

[Yermakov] I would like to remind the readers that before that, I was chairman of the City Council and Executive Committee. Moreover, I was a deputy chairman of the Crimean Supreme Council. In my work, I did not abandon my conscience, and I was trying to protect the interests of Sevastopol residents. Therefore, I have a clear conscience. The only thing that bothers me is that I could have done more for the city, had I not been removed....

[Glinskiy] Is this why you are again running in the upcoming elections for City Council chairman?

[Yermakov] I have been thinking a lot about whether I should again be involved in political battles and join the

electoral marathon. I have already seen all that. But, during these three years in power, I understood many things: the ruling cadres, their professional qualities, the capabilities of state-owned and commercial enterprises, or alignment of political parties and movements. I know what must be done, and how, to implement reforms, and to make the city begin to earn its life.

I now have a clear, considered program to lead the Crimean Republic and Sevastopol out of the crisis. There are the executors of this program as well. While supporting the majority of ideas advocated by the "Rossiya" bloc, I stand on the centrist positions. Only together will we be able to extricate ourselves from the current crisis.

I have already formed a team comprising talented people who are able to think and work for the good of Sevastopol residents.

My goal, as either the "Union-Prosperity in Unity" association chairman or the City Executive Committee chairman, is a peaceful life of Sevastopol residents within a brotherly union of Slavic states: Russia, Ukraine, and Belarus.

Parliament Speaker Wants Joint Command for Black Sea Fleets

LD2006162894 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 20 Jun 94

[From the "Novosti" newscast]

[Text] Oleksandr Moroz, chairman of the Ukrainian Supreme Council, has called for the establishment of a joint command of the Ukrainian and Russian Fleets on the Black Sea.

Speaking in Donetsk and Simferopol, he also said he opposed a final division of the Black Sea Fleet. To remind you, at the talks on the Black Sea Fleet between Ukraine and Russia, agreement has so far been reached on the division of vessels, and discussions continue on division of the infrastructure of the fleet's bases and on the status of the town of Sevastopol.

Chernomyrdin, Other Republic Leaders Congratulate Masol

LD2006130094 Kiev Ukrayinske Radio First Program Network in Ukrainian 1100 GMT 20 Jun 94

[Text] Ukrainian Prime Minister Vitaliy Masol has been receiving letters and telegrams congratulating him on his appointment to this high state post. A telegram from Viktor Chernomyrdin, head of the Russian Federation government, expresses confidence that mutually advantageous all-round cooperation between Russia and Ukraine will help our countries to draw closer together in future, and will help strengthen their people's prosperity and security in Europe and the world.

Sergey Tereshchenko, prime minister of Kazakhstan, expressed a desire for further development of friendship between the peoples of Kazakhstan and Ukraine, and of our longstanding links in the economic, scientific-technical, and cultural fields.

Vyachaslaw Kebich, chairman of the Republic of Belarus's Council of Ministers, Petru Lucinschi, chairman of the Republic of Moldova's parliament, Andrei Sangheli, the Republic of Moldova's prime minister, Adolfas Slezevicius, prime minister of the Republic of Lithuania, and Otar Patsatsia, prime minister of the Republic of Georgia, sent wishes of fruitful and successful activity to Vitaliy Masol.

Congratulations are also being received from labor collectives, civic organizations, and individuals.

Kravchuk, Officials View 14 Jun EU Agreement

WS2006143094 Kiev URYADOVYY KURYER in Ukrainian 16 June 94 pp 1, 3

[Report by Mykhaylo Soroka: "Approach to Europe"]

[Text] Ukrainian President Leonid Kravchuk spent only six hours in Luxembourg on 14 June. There is no doubt, however, that this visit will become a hallmark in the history of the young Ukrainian state. Having signed the agreement on Ukraine's partnership and cooperation with the European Union [EU], Leonid Kravchuk, speaking figuratively, opened for our state the door to Europe. The meaning of this step will be fully assessed in the future. Meanwhile, we want to emphasize that Ukraine was the first of the former USSR republics to make this step.

Both in Ukraine and near abroad, certain people view the "Luxembourg breakthrough" as definite orientation by Ukraine toward the West. However, is this actually so? Speaking at a news conference at Seningen Palace, which served as the Ukrainian president's official residence, Leonid Kravchuk underlined that we have equal interest in good-neighborly relations and mutually advantageous relations with all nations—East, West, North, or South. Shortly after those statements, speaking at Boryspil airport, the president placed special emphasis on the development and consolidation of Ukrainian relations with Russia. Thus, our state is by no means going to curb these. On the contrary: It is in Ukraine's vital interest (probably just as in our eastern neighbor's interest) that our relations consolidate and are of a stable and mutually advantageous nature.

However, would it do any harm to our state if it finds new promising directions for cooperation, including in a westerly direction? I think that the answer to this question is evident. Yet, once we asked it, let us cite the opinions of renowned experts to find out how Ukraine is going to benefit from cooperation with the EU and what possibilities are opened by the Luxembourg agreement.

This is how the URYADOVYY KURYER question was answered.

European Commission Chairman Jacques Delors: "This is a very important agreement for Ukraine. It will help Ukraine consolidate its sovereignty and carry out a gradual, and what is more, soft transition to an efficient economy in the interests of its people.

"I would like to especially single out this point for your readers: Ukraine is the first of the former USSR states to sign an agreement with the EU. Before the signing, we held detailed discussions with the Ukrainian president about the acute problems facing your state, and how to expeditiously make the agreement work to help Ukraine resolve these problems. I want to add that both I and other European Commission members will everything in our power to achieve this goal."

Borys Oliynyk, chairman of the Ukrainian Supreme Council Commission for Foreign Affairs and CIS Relations: "I believe that Tuesday 14 June is indeed a significant day, and not only for Ukraine, but for all of Europe as well, because we are returning to Europe. Or rather, not returning but turning our face toward it, because we often turned our back on it. This is not an ordinary everyday event. It is opening new prospects for us. I am not going to sink in euphoria. Today, the Ukrainian president pointed out that we have secured a base. This is correct, but we now have to 'grow roots' in this base. The return to Europe does not mean that we are turning away from our other neighbors. No matter where our partners are geographically located, we have to turn our face to them. This would be honest policy."

Oleh Slepichev, Ukrainian minister of external economic relations: "The very name of the agreement explains its meaning—it deals with both cooperation and partnership. Take trade and economic relations for instance. Ukraine needs markets, including European markets. However until now, the European market was for all intents and purposes closed to us. First, it is being protected with quotas, and second, with the so-called antidumping legislation. The agreement gives us the chance to overcome this barrier and enter the European market. This will help shore up our production and improve the quality of exported goods. On the other hand, the signing of the agreement amounts to Ukraine's breakthrough to GATT. Support from GATT members is very important to us, and the EU is among the most influential members of this organization. Besides, it is vital for Ukraine that it is recognized as a state undergoing a transition from centrally managed economy to a market. This would give us the chance to enjoy GATT privileges for a certain period of time, regarding the selling of our products on foreign markets. In other words, the Luxembourg agreement is our great political victory."

Ukrainian Deputy Foreign Minister Oleksandr Makarenko: "The agreement lays the political-legislative groundwork for Ukraine's relations with EU states, which would be equal to, civilized, and advantageous for us. Work on drafting this document was very strenuous and lasted for almost a year. There was a series of talks and expert conferences in both Kiev and Brussels. The negotiation process was significantly accelerated after the issue of eliminating Ukrainian nuclear weapons was resolved. What is the essence of the 14 June agreement? This is quite a voluminous document comprising 100 articles and a number of provisos. The introduction to this document emphasizes that EU states recognize Ukraine's independence and support its sovereignty and territorial integrity. A significant portion of the agreement deals with the issues of Ukraine's trade and economic relations with the EU, including, in particular, the issue of a transitional period in trade between them. This period is to last until 31 December 1998, after which Ukraine's admission to the free trade zone could be discussed.

Thus, the agreement opens broad prospects for Ukraine's existence on the European continent. The decisive word is to be had by the Ukrainian legislature, which has to ratify the agreement."

This is what our and foreign senior officials think about the agreement. As we see it, despite all the nuances, the general conclusion made by them is: Integration with the EU is not only advantageous for Ukraine—it is imperative. Even more so since sooner or later all European states will approach and join the EU. Europe does not have any other option. Russia is closer than anybody else to following Ukraine's example. This may happen in near future.

Yet, our state was the first to make this step. How can one explain why it was Ukraine that was given this chance? I have asked Ukrainian President Leonid Kravchuk to answer this question.

President Kravchuk: "Two factors must have had their effect on this matter. The first is the political, international factor. This is a confirmation of the role Ukraine is currently playing. I think and hope that European and world nations have seen the persistence of our domestic and foreign policies even in such extremely complicated situations as the resolution of the problem of nuclear arms, relations with our neighbors, the Crimean issue, or the division of the Black Sea Fleet. Everybody sees that Ukraine is acting in accordance with the law, the Constitution, abiding by the principles proclaimed by the United Nations, its Security Council, and the CSCE. This cannot pass unnoticed. Thus, by signing the agreement, not only respect toward Ukraine was demonstrated, but also our state's actual role in the European process marked.

There is also the other, so to say, technical side—our departments, including the Foreign Ministry, worked more efficiently [than foreign ones] to achieve this goal."

Europe, in which world wars have flared twice in this century, for the last 50 years has been building relations on norms that are civilized, peaceful, and generally

acceptable for all the states. The EU, which comprises the Western states of our continent, has become an influential force in this process. The mission of the young Ukrainian state, which is establishing its position in the world and, primarily, in the European homeland, is to find the shortest way of rapprochement with the EU. From this perspective, Leonid Kravchuk's 14 June visit to Luxembourg and the documents signed there should be viewed as an event of European scale and historic significance.

Foreign Minister Views EU Agreement

WS2106083094 Kiev HOLOS UKRAYINY in Ukrainian 17 Jun 94 p 4

[Article by Foreign Minister Anatoliy Zlenko: "An Important Step Toward Europe"]

[Text] *Having signed an agreement on partnership and cooperation in Luxembourg on 14 June, the Ukrainian president opened a new page in relations between Ukraine and the 12-member European Union [EU].*

The path traveled by the EU and Ukraine to meet each other during the year-long negotiating process was not easy. There were both points of mutual understanding and seemingly insurmountable—at first glance—obstacles; however, victory was achieved by the joint desire of both sides to establish legal foundations for Ukraine's joining European processes.

In one fell swoop, Ukraine has ceased to be a subject of international relations in spite of its own will. With regard to the official membership of the former Ukrainian SSR to the United Nations and other organizations with their headquarters in Europe, this did not make Ukraine a full-fledged participant in the European community of nations. This is why the joining of European economic and political structures is a logical and necessary direction in Ukraine's foreign policy at the current stage.

Ukraine ranks fifth in Europe in terms of population and first in terms of area. It is not a reason for pride or some pretensions, but this fact cannot be disregarded, either. Europe, too, has many key positions in Ukraine: transit highways, reserves of raw materials, and ten of millions of qualified producers and perspective consumers; or, quite the opposite—a potential hotbed of instability if the ark of Ukrainian statehood goes to pieces. Therefore, many things depend on how Western states approach our country.

The EU, in this context, plays a leading part. The development of multifarious cooperation between Ukraine and the EU is a path toward the gradual integration of the Ukrainian economy into the European economic zone and the establishment of broad economic ties with leading European countries, without loosing traditional ties within the CIS framework.

In 1993-94, Ukraine's Foreign Ministry, with the participation of a number of branch ministries and departments, held four rounds of official talks with the European Commission on the concluding of a framework agreement on partnership and cooperation. The Ukrainian side raised the question of broadening the framework of cooperation, which was fixed in a draft agreement proposed by the European Commission, to the level of conditions stipulated by appropriate agreement on associate membership, in particular, with Poland, Hungary, and other East European countries.

This is the first agreement on cooperation to be concluded with a republic of the former USSR. This agreement provides a reliable and large-scaled basis for the development and expansion of political and economic relations between the EU and Ukraine, and is another piece of evidence supporting democratic processes in independent Ukraine, as well as of the significance assigned to Ukraine's political and economic reforms by the EU.

This document underscores the importance of democratic values, respect for human rights, and dedication to the principles of market economy, and treats them as an important element of partnership between the EU and Ukraine. The sides also believe that the development and strengthening of regional cooperation, as well as the support of Ukraine's independence, sovereignty, and territorial integrity, are important prerequisites for the future prosperity and stability in Central and East Europe, as well as on the European continent as a whole.

The foundations were also built for full-fledged and mutually beneficial cooperation between Ukraine and the EU in the wide realm of political, economic, and humanitarian questions; in the immediate future, it will be possible for Ukraine to obtain political support and economic assistance in its efforts to democratize social life and reform the economy according to market principles.

The political part of the agreement confirms the importance and necessity of the contribution made by both sides toward the consolidation of a new democratic Europe, as well as the development of political and economic process on the European continent.

It is a matter of principle to introduce permanent political dialogue and a system of regular consultations on all levels and in the entire network of political, economic, and other issues of mutual interests.

In the economic part of the document, the EU notes the important character of Ukraine's efforts to transform itself from a state monopoly over trade and system of centralized state management of the economy to a system based on market principles; the EU also expresses the need to render permanent assistance to our country in this direction.

The sides agreed that mutual trade will be liberalized according to GATT principles, while taking into account

amendments that were introduced during the recent Uruguay round of negotiations. The EU will lift its restrictions on trade with Ukraine with the exception of so-called "sensitive" goods, including steel, coal, textiles, agricultural products, and nuclear materials. Trade in these branches will be regulated by special agreements, which are already prepared, or are being prepared, on the basis of quotas established for Ukraine.

On the other hand, Ukraine also has the possibility to introduce certain quantitative limitations in new branches of industry and in those branches which are subject to restructuring. However, it should be noted that these limitations may be operational in the transitional period, prior to 31 December 1998, or prior to the joining of GATT by Ukraine if this joining takes place earlier.

It is a well-known fact that our country attaches special importance to the issue of antidumping procedures in the sphere of expanding economic cooperation with the EU "12." Provisions of the economic part of the agreement testify to the positive stance of EU countries with regard to the solution of this problem. In particular, this concerns the possibility of a constructive and flexible mechanism for examining antidumping issues through consultations.

As market reforms in Ukraine proceed, the sides will revise the provisions of certain chapters, in particular, those on trade to create a free trade zone between the EU and Ukraine. Therefore, the last year of the transitional period, that is, 1998, will see the outset of consultations on the beginning of a negotiating process to create a zone which can become an intermediate link toward the full membership of our country in the EU.

Even today we may speak about positive results in the relations between Ukraine and the EU. The EU Council of Ministers session, which preceded the signing of the agreement, was also devoted to the discussion of assistance to Ukraine, in particular, the financing of compensation capacities at the Rivne, Khmelnytskyy, and Zaporizhzhya nuclear power plants, which would be able to solve the problems of energy deliveries in the event of Chernobyl's shutdown.

Regarding the idea of Ukraine's future associate membership in the EU, it should be noted that the implementation of this idea is quite realistic. It is difficult to predict for the time being how far-reaching and strategic will be the consequences of the relations which are just beginning to take shape on a permanent and legal basis. First, this will depend to a great extent on the steadfastness and tempo of democratic processes and, which is especially important, of economic reforms in Ukraine. Second, this will also depend on the meeting of obligations which were made by both sides under the agreement.

The signing of this historic document opens the door for our future membership in the European area, but it does not guarantee that we will join this area. It is up to us whether we will be able to use this opportunity. It depends on how proficient we are in resolving problems, safeguarding the implementation of economic reforms, transforming and demilitarizing the economy, implementing large-scale privatization, and stabilizing credit and monetary sphere.

It is quite within the scope of our powers to do this.

National Affairs

Kravchuk Annuls Crimean President's Edicts on Privatization

LD2106132994 Kiev UNIAR in Ukrainian 1200 GMT 21 Jun 94

[Text] Kiev, 20 Jun—An edict of the president of Ukraine has annulled the edicts of the Crimean president on facilities of ownership of Crimea and on the privatization of enterprises of state ownership in Crimea dated 4 May 1994. These have been abrogated as contravening the laws of Ukraine on ownership and on the privatization of assets of state enterprises.

Cancels Decrees on State Property

WS2106092194 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 21 Jun 94

[Text] The Ukrainian president has issued a decree regarding the Crimean president's decrees No. 54 and No. 57, dated 4 May of this year. In particular, the decree states that on 4 May of this year, the president of the Crimean Republic issued decrees No. 54 on facilities that are property of the Crimean Republic and No. 57 on privatization of state-owned enterprises of the Crimean Republic. These decrees do not conform to Ukrainian legislation. By virtue of the Crimean president's decree No. 54, the property of state-owned enterprises [passage indistinct] was attributed to the property of the Crimean Republic. [passage indistinct] Additionally, by virtue of the Crimean president's decree No. 57, enterprises which are all-state property, and which [passage indistinct] were included in the inventory of state-owned enterprises of the Crimean Republic and which are subject to privatization by the end of this year. In accordance with Paragraph (?2), Article 14 of the Ukrainian Constitution, the Ukrainian president canceled the Crimean president's decrees No. 54 on property of the Crimean Republic and No. 57 on privatization of state-owned enterprises of the Crimean Republic, since they do not conform to decree No. [number indistinct] on privatization of property of state-owned enterprises. [passage indistinct]

Rukh Leader Accuses Government of Mistakes in Crimea

AU2006190694 Hamburg DER SPIEGEL in German 20 Jun 94 pp 130-131

[Interview with Opposition Leader Vyacheslav Chornovil by unidentified DER SPIEGEL correspondent; date, place not given: "Made Grave Mistakes"]

[Text] [DER SPIEGEL] Mr. Chornovil, can the disintegration of Ukraine be halted?

[Chornovil] It is still possible. Yes, there is a tendency toward division in the Crimea, in Donbass, and in Odessa, and to a slighter degree also in the Transcarpathian Region. We can still halt the division if we begin economic reforms and the people's standard of living improves.

[DER SPIEGEL] Will there be blood shed in the Crimea?

[Chornovil] This depends on how cautious the two sides are. I hope that the things that happened in Karabakh, Abkhazia, and in the Dniester region will not be repeated here. But, the escalation has been halted for the time being.

[DER SPIEGEL] Due to the presidential elections?

[Chornovil] The Crimea's capitulation has deprived President Kravchuk of the possibility of installing a presidential regime there. Perhaps they also want to gain time. Or else, the people have simply become scared. They do not want bloodshed; this is more important than the desire for independence.

[DER SPIEGEL] What is driving the people on the Crimea away from Ukraine?

[Chornovil] They feel cheated. They had hoped that independence would bring them prosperity. But if it smells of blood, the man in the street would rather not get involved in separatism. But still the situation in the Crimea continues to be very tense.

[DER SPIEGEL] What mistakes has the Ukrainian government made regarding the Crimea problem?

[Chornovil] Very grave mistakes, one after the other. The first one was granting the Crimea territorial autonomy. That was illogical. If there had to be autonomy, it should have been based on the autochthonous population—that is the Crimea Tartars. That is how all the autonomous regions in the Soviet Union were created, on the basis of their original population.

[DER SPIEGEL] The Russians are only immigrants in the Crimea.

[Chornovil] Autonomy for immigrants, that was the first mistake. Then, elections for a Crimean president were permitted. But such an office is not even mentioned in the Ukrainian constitution. Without the elections, all that would not have occurred. There has been nothing but mistakes so far.

[DER SPIEGEL] Do you consider Kravchuk incompetent?

[Chornovil] He tried to do something too late. Parliament authorized him to annul the rulings of the Crimean president back in January. Today, Kravchuk no longer has the situation under control. He is incapable of making decisions.

[DER SPIEGEL] You would have advised him to take drastic steps?

[Chornovil] I am not in favor of risking an armed confrontation no matter what. One could have taken other determined measures. But Kravchuk is putting everything off, thinking: It is going to work out somehow. He is too weak.

[DER SPIEGEL] Are you advocating a presidential regime, putting the Crimea directly under Kiev's control?

[Chornovil] This should have been done six months ago, but even today such a step could signal decisiveness. But now a great many people from Russia have arrived in the Crimea, many Moscovites are involved in the administration there. Russian Cossacks are hanging around there. But there is no way the Crimea should have its own armed forces. The Ukrainian Army is the only army that should be stationed on the Crimea.

[DER SPIEGEL] What about dual citizenship for the people in the Crimea?

[Chornovil] This must be rejected. There must be only Ukrainian citizenship on Ukrainian territory.

[DER SPIEGEL] How do you rate Kravchuk's ability to govern this country?

[Chornovil] In terms of foreign policy, he is undoubtedly a capable politician. But his attempt to control the economy has proved to be a complete failure. Kravchuk is not an economist, and he is not very capable of making decisions. That is one of the reasons the reforms have failed.

[DER SPIEGEL] But nevertheless you are supporting him in the presidential elections.

[Chornovil] That is not quite right. My organization "Rukh" [Ukraine People's Movement] has decided to support the candidate who is in favor of reforms and preserving the state. We have not expressly spoken out for Kravchuk.

[DER SPIEGEL] And what if there is a decisive ballot between him and former Prime Minister Leonid Kuchma?

[Chornovil] In that case, we will support Kravchuk. He is the lesser of two evils. We consider the candidacy of socialist Oleksandr Moros and Kuchma to be extremely dangerous, because they are backed by apologists of the Russian empire.

[DER SPIEGEL] Why has Rukh not nominated a candidate of its own?

[Chornovil] We do not have a constitution that clearly establishes the president's tasks. That is why we think the elections are being held too early. We would not stand any real chance in the presidential election either, because we, the democrats, are blamed for the catastrophic economic situation. That is why we are saying: These are not our elections yet. Our opportunity is still to come.

Former Navy Chief Urges Kravchuk To Settle Crimean Conflict

WS2106134394 Kiev RADA in Ukrainian 16 Jun 94 p 1

[Interview with former Ukrainian Navy Commander Borys Kozhyn, member of the Ukrainian Supreme Council Commission for Issues of Defense and National Security, by Oleksiy Dashkovskyy; place and date not given: "Kravchuk's Last Chance"]

[Text] "President Leonid Kravchuk, accompanied by his high-level ministers, should go to the Crimea immediately to resolve all questions, including problems of the Black Sea Fleet," former Ukrainian Navy Commander Borys Kozhyn, member of both the Rukh faction and Supreme Council Commission for Issues of Defense and National Security, has told our correspondent.

[Dashkovskyy] As everybody knows, the latest negotiations in Moscow on the division of the Black Sea Fleet did not produce any results. Negotiations between expert groups, at the level of naval commanders, have recently begun in Sevastopol. What position should Ukraine assume to avoid the role of a "younger sister," and simultaneously, to conclude previous agreements?

[Kozhyn] Our state should stand on a position of parity and not allow Russian representatives to dictate their terms, because all military units deployed on Ukrainian territory belong to our state, and this relates to the Black Sea Fleet, first and foremost. When the fleet finally belongs to us not only de jure but also de facto, our goal will be for an appropriate Supreme Council commission to decide which commitments, concerning guarantees for security and inviolability of borders, Russia should undertake. Only after that is done will it be possible to talk about certain reasonable compromises.

[Dashkovskyy] At a closed session of the Supreme Council, Leonid Kravchuk spoke in favor of transferring control of Sevastopol's naval base and onshore infrastructure to Russia...

[Kozhyn] The president voiced his opinion on the situation, but the final decision is to be made by the Supreme Council. Personally, I am against such a transfer, because the one who rules Sevastopol and its naval base, dominates the Black Sea. Besides, everyone should respect international agreements. Soon after the 1991 Moscow putsch, during the official meeting of CIS heads of state in Belavezha, Ukraine, Russia, and Belarus signed an entire range of agreements, including one stating that every state is the sole owner of all property located on its territory, and one concerning the inviolability of borders. It is interesting how the world community would react if Moscow demanded that the Baykonur launch-site be divided between Russia and Kazakhstan?! Moreover, I generally stand for the gradual withdrawal (taking into account servicemen's problems) of Russian units from Ukrainian territory, including the Crimea.

[Dashkovskyy] The maintenance of the Black Sea Fleet requires considerable expenditures, and particularly, the question of fuel arises under the current acute energy crisis.

[Kozhyn] As everybody knows, almost 70 percent of maritime nation's fuel resources is spent on maintenance of navies. On the other hand, we must not go too far, because there are other important sectors. As of today, the balance is maintained—state organizations allot funds, and moreover, the Black Sea Fleet is fully maintained by Ukraine.

[Dashkovskyy] What, in your opinion, must be done to prevent a "Ukrainian Karabakh" from developing in the Crimea?

[Kozhyn] I would not advise anyone to inflame passions surrounding the Crimea, which is currently being done quite successfully by the Russian media. The government's position should be weighed, but tough. When I was still the Navy commander, I warned the previous Supreme Council of possible dangerous consequences stemming from Crimean autonomy, and I insisted that this issue be revised. Since all problems must be resolved in a peaceful manner, I believe that the president must go to the Crimea. If Leonid Kravchuk does not do that in the near future, he will bear responsibility for any further developments. In my opinion, this is the last chance to preserve our independence, peace, and accord.

President Issues Decree on Hard Currency Earnings

LD2006223294 Kiev UNIAN in Ukrainian 2115 GMT 20 Jun 94

[Text] Kiev, 20 June—The Ukrainian president has issued a decree on urgent measures to return to Ukraine hard currency valuables which are illegally held abroad. The decree, in particular states:

The president resolves:

1. That corporate bodies of Ukraine, irrespective of their form of ownership, should within 10 days declare to the National Bank of Ukraine the availability or absence (with a definition of the amount) of all hard currency valuables that belong to them and that are held outside Ukraine, including those received as a result of carrying out entrepreneurial activity beyond Ukraine's borders.

2. To provide the main state tax inspectorate of Ukraine with a declaration of funds held in their accounts by banks and other foreign financial institutions, and also of hard currency revenues in the form of income and dividends received as a result of carrying out entrepreneurial activity beyond Ukraine's borders. Henceforth such declarations are to be carried out every three months.

The National Bank of Ukraine and the main state tax inspectorate of Ukraine are to ensure that strict confidence is maintained with regard to the information received.

To establish that henceforth the carrying out of foreign economic activity by corporate bodies of Ukraine is permitted only with the presence of a declaration, as specified by Article 1 of this decree.

3. To obligate all corporate bodies of Ukraine who are owners of hard currency valuables, held in current and deposit accounts beyond Ukraine's borders in violation of the established procedure, to transfer, within a month, all hard currency valuables to the authorized banks of Ukraine and, if it is not possible to do this through objective reasons, to transfer the funds within a period agreed by the National Bank of Ukraine and the head of the state tax inspectorate of Ukraine. The National Bank of Ukraine is to publish in the press within three days a list of authorized banks of Ukraine to which these hard currency valuables are to be transferred.

4. The Ministry of Finance, Ministry of External Economic Relations, State Customs Committee, and National Bank of Ukraine are to work out and introduce within 10 days means of verification as to the complete and true nature of information supplied by corporate bodies in compliance with Article 1 of this decree.

5. Ukraine's Ministry of Statistics, in cooperation with the Ministry of Finance and the National Bank, are to approve and introduce as of the third quarter of 1994 a system of quarterly accounts by all corporate bodies on the receipt of hard currency incomes and dividends outside Ukraine.

6. The National Bank of Ukraine, ministries, and departments are to report to Ukraine's law enforcement bodies available data as to the opening of hard currency accounts and the use of securities by corporate bodies outside Ukraine in violation of the established procedure.

7. The Cabinet of Ministers of Ukraine is to submit to the Supreme Council of Ukraine within a week a draft law on the increase of liability for concealment and illegal use of hard currency proceeds by Ukraine's corporate bodies.

8. Where the requirements set out in Articles 1 and 3 of this decree are complied with, no sanctions envisaged by the current legislation are imposed on corporate bodies, and their managers or officials do not face criminal or other forms of liability.

9. Heads of ministries and departments in charge of all corporate bodies irrespective of their form of ownership are personally responsible for the implementation of this decree.

Presidential Candidate Moroz Discusses Program

LD1806020694 Kiev UNIAN in Ukrainian 2000 GMT 17 Jun 94

[Text] Lugansk—Oleksandr Moroz, candidate for president and chairman of Ukraine's Supreme Council, arrived in Lugansk on 17 June. He had his first meeting at the "Tsentralna-Irmine" mine. Then he went to the joint-stock enterprise "Styl" and met electors at the diesel locomotive construction workers' palace of culture. During this meeting he set forth his vision of getting Ukraine out of the crisis, subjected his rivals' programs to criticism and replied to numerous questions. He also introduced the team, which had arrived with him and to which belong, according to him, "lawyers of world renown" and employees of ministries.

Oleksandr Moroz stated that to begin with, he would bring order and discipline to the state. Calling on the future electors to cast their votes for ideas, in which they believe, Oleksandr Moroz said: "I am not going to say directly that you should vote for representatives of leftist forces."

Regarding the fate of the Black Sea Fleet, the Ukrainian parliament Speaker said that the fleet should be a joint one and should protect the interests of both Russia and Ukraine.

Acknowledging the preservation of the sovereignty of former Soviet Union republics, Ukraine's Supreme Council chairman stated that the peoples of these republics should help one another and then they would manage to remove customs-houses and borders in the future. "We will restore accord between the two states and other fraternal peoples, while not conceding sovereignty," he said.

Oleksandr Moroz promised to conduct checks on the privatization process in the country. According to him, a special commission would be set up and an analysis of privatization would be carried out. Those, who had privatized enterprises and shops, would be asked where they got the funds from. "If they cannot account for the sources of finance, they will have to part from the privatized facilities and even do time in jail," Ukraine's Supreme Council chairman said.

As far as foreign currency is concerned, the Speaker promised to ban the use of both the U.S. dollar and the Deutschmark for settlements in Ukraine the very next day after his election to president.

Of all of the candidates for president, whom Oleksandr Moroz described, Volodymyr Lanovyy got the worst of it. He was called "an individual with an unbalanced psyche."

A meeting with managers of the oblast's and town's enterprises took place on the same day.

Denies Withdrawing Candidacy

LD2006103394 Moscow INTERFAX in English 1010 GMT 20 Jun 94

[Text] Ukrainian Parliament speaker and candidate to the presidential post Aleksandr Moroz has denied reports by Ostankino TV company that he may remove his candidacy and support Leonid Kravchuk.

"This is a canard of which I was informed last week," he told electors in Zaporozhye.

"I respect all candidates to the presidential post, but I have no comrades-in-arms among them," he said.

'Ukrayina' Bloc Condemns Antinational Activities in Kharkov

WS2006122194 Kiev VECHIRNIY KIYEV in Ukrainian 16 Jun 94 p 2

[Statement released by the "Ukrayina" democratic coalition; place and date not given]

[Text] Seeing the indecisiveness of authorities and their unwillingness to strengthen the foundations of statehood in the regions, anti-Ukrainian and antistate forces have stepped up their activities in Kharkov Oblast. They threw off their mask during the Supreme Council elections in March and April this year. The Civil Congress of Ukraine, the Labor Party, the Communist Party of Ukraine, the Socialist Party of Ukraine, and the leadership of the United Trade Unions of Kharkov Oblast have waged a furious propaganda campaign against Ukraine's independence, the state leadership, and the population of western oblasts. A great number of Ukrainian-eaters [Ukrayinozher], with the help of proimperial magnates, have infiltrated our state's legislative body—the Supreme Council. They can be easily recognized by their deeds: In parliament, they behave in a blatant manner, speak only in Russian, and voice opinions which can lead to destabilization of political life and loss of Ukrainian statehood, and can transform Ukraine into an economic appendage of the Russian empire.

In terms of ideology, these deputies are fed by similar forces in the regions. In Kharkov Oblast, the proimperial forces have almost completely captured the media—they have established the "Tonis," "Orion," "Symon," "Vympel," and "A/TVK" television companies and the "Radio 50," "Master-Radio," and "Onyks" radio companies. VECHERNIY KHARKOV and SOBYTIYE are published instead of such Ukrainian-language newspapers as VECHIRNIY KHARKOV and LENINSKA ZMINA. A whole range of new Russian-language newspapers are published. Newspapers from Russia are sold for pittance. Russian literature dominates the city's and oblast's bookstands. At state expense, libraries are furnished with Russian papers, magazines, and books. Only two Ukrainian newspapers—SLOBIDSKYY KRAY (three times per week) and children's ZHURAVLYK (twice per month)—are published in Kharkov. The attack against the Ukrainian language is conducted by physical methods as well: The stands, on which Ukrainian newspapers were displayed, have been dismantled.

We, the plenipotentiaries of political parties and public organizations of democratic orientation, are concerned over the attack of proimperial forces in Kharkov Oblast.

We Propose:

To the Cabinet of Ministers:

1. To hold a special meeting concerning the implementation of the "State Program for the Development of the Ukrainian Language and Other National Languages of Ukraine by the year of 2000" dated 12 November 1991.

2. To provide state assistance to Ukrainian-language media, to ensure their normal operation.

To the Supreme Council:

1. To revise the issue of using the technical radio and television equipment on the Ukrainian territory, which is used to hamper the process of Ukrainian national revival, cultivate separatism, and sow hostilities among people in different parts of the state.

2. To ensure the introduction of the state language at plenary sessions of the parliament and its standing commissions.

Nuclear Commission Chairman on NPT Treaty

LD2106092194 Kiev UNIAN in Ukrainian 1930 GMT 20 Jun 94

[Text] Kiev—Mykhaylo Pavlovskyy, chairman of Ukraine's Supreme Council Commission for Nuclear Safety and Nuclear Policy, informed a UNIAN correspondent in an interview on 20 June that the main tasks now facing the commission are the organization of the safe work of nuclear power stations (the burial of nuclear waste is included in this too) and the elaboration of a concept of the development of power engineering as a whole, and nuclear power in particular.

Regarding parliament's possible rejection of Ukraine's accession to the Nuclear Nonproliferation Treaty [NPT] as a non-nuclear state, Pavlovskyy replied: "This issue will not be raised. There can be no going back." (As UNIAN has already reported, deputies from the Union of Officers of Ukraine are to address an initiative to parliament on Ukraine returning to nuclear status.)

Concerning international assistance in converting facilities of the military-industrial complex, in the opinion of the commission chairman, efficient assistance is that which is directed at specific programs. However, he believes that one can hardly expect such targeted assistance in the near future.

Belarus

Helsinki Accords 'Have No Force for Post-Soviet States'

LD2006144394 Moscow INTERFAX in English 1306 GMT 20 Jun 94

[Text] The Helsinki accords, to which advocates of the inviolability of administrative borders refer, have no force for post-Soviet states in the territory of the former USSR because at the time when the accords were signed these countries were not subjects of international law. This statement was made in an interview with INTERFAX by the President of the Belarussian [Belarusian] Academy of Geopolitics Professor Valentin Akulov.

In addition, in his opinion, the West violated the Helsinki principles when it recognized new republics formed in ex-Yugoslavia. Thus, a key argument of opponents to changes in borders does not stand up to criticism cannot be seen as an obstacle to a Confederation of the Peoples of Belarus, Russia, and Ukraine.

In the opinion of the professor, the idea put forward in Moscow a few days ago by public groups from Russia, Belarus, and Ukraine can be put into practice already this year through referendums in the three countries. Supporters of a confederation speak for joint armed forces and a common ruble space but separate parliaments.

The leader of the Russian Consolidation Party (one of the advocates of a confederation) Aleksandr Tikhonov is expected to raise the matter during his Tuesday meeting with the speaker of the Russian State Duma Ivan Rybkin.

National Bank Head Surveys Economic Situation

WS2006140094 Minsk NARODNAYA GAZETA in Russian 15 Jun 94 p 1

[Article by Belarusian National Bank Chairman Stanislaw Bahdankevich: "The State Is Endangered!"]

[Text] In assessing the results of our economic and social development, Belarusian statesmen are pushing forward the idea that, despite the exacerbating crisis, the key sectors of our economy were not destroyed, there has been no massive drop in production, and prices have not continued to increase. They erroneously believe that it was regular and centralized deliveries of energy resources that allowed our economy to remain afloat.

It should be noted that, indeed, production and consumer demand for energy resources were completely met in 1993-94. However, no one ever asked the question—at what cost and with what consequences?—or saw fit to provide an answer.

Let us clarify this issue.

The centralized supply of these resources to the Republic is being carried out through natural exchanges in the form of clearing operations and bartering. However, such economic relations have irrecoverably damaged the national economy and triggered a wide range of negative consequences. In particular, according to experts' estimates, in comparison with our losses in 1993—due to underestimated prices for Belarusian-made products delivered on a clearing basis ($349 million) and overestimated prices for Russian-produced goods ($88 million)—our 1994 will total some $437 million.

Belarusian economic entities—dealing with clearing-basis deliveries—continue to suffer losses. For example, prices for tractors delivered on a clearing basis stand at 82 percent of market prices in Belarus and Russia, while prices for cars—85 percent. Due to this, in 1993 the Minsk Vehicle Factory suffered losses amounting to 69 billion Belarusian rubles [R], while in January-April of 1994—R18 billion. To fulfill planed deliveries of refrigerators on a clearing basis in 1994, the Minsk Refrigerator Factory will suffer losses amounting to R135 billion.

Due to the unprofitability of deliveries of Belarusian-produced goods by our enterprises, the Republic chronically fails to meet its commitments. Already in 1994, clearing-based imports from Russia have exceeded our exports by 37 percent, which automatically triggers equivalent nondeliveries from Russia.

Economically unjustified prices are imposed on products delivered on the basis of clearing transactions and intergovernmental agreements. In particular, oil prices on the Belarusian market in January slightly exceeded 70 percent of clearing-based prices, in May—62 percent (foreign prices for oil in 1994 stood at $85 per tonne, while the domestic price in January was $61, and in May—$53); prices and tariffs on electricity and central heating in Belarus are roughly four times lower than prices for electricity and gas imported for these purposes. If we can put it this way, our economic policy lacks sense. We are buying products from Russia at high prices and selling them on our domestic market at low prices. The question arises: At what expense and who is being made to compensate for these expenditures? At the expense of eating away at our foreign loans.

In accordance with the aforementioned trends, as a result of price distortions, participants in clearing-based deliveries are suffering huge losses. For example, this year, the Ministry of Resources—handling clearing-based oil deliveries to Belarus—suffered losses to the tune of R838 billion, while the Ministry of Energy—after selling electricity and heating to Belarusian consumers—suffered losses amounting to some R4 trillion.

The Belarusian Government probably has resources, which could allow it to compensate for these losses. However, the answer is not clear: The government has no such assets. Between January and April of this year, the government used some R1.2 trillion—or 15.4 percent of all budget expenditures, that is, the entire volume of

yearly budget expenditures designated for these purposes—to underwrite state subsidies.

Moreover, according to Finance Ministry estimates, in connection with the shortsighted pricing policy regarding the import of energy resources and the preservation of the old system of regulating prices for agricultural products, bread, milk, tariffs for municipal services, city transportation, and so on, some R5-6 trillion will have to be issued for these purposes (according to May 1994 figures, we have every reason to believe that this sum will be much higher).

Despite the fact that Belarusian consumers receive energy resources at prices which are lower than their import prices, and due to the weakening of payment discipline and solvency among the enterprises, their debts for using energy resources—received on a clearing basis and through intergovernmental agreements—are growing.

As of late May 1994, the oil debts of Belarusian enterprises to the Ministry of Resources amounted to R760 billion or 69 billion Russian rubles; gas debts to the Belarusian State Company for Gas Transportation and Delivery—R5.9 trillion or 534.1 billion Russian rubles; debts for electricity and central heating to the Ministry of Energy—some R1.4 trillion or 125 billion Russian rubles. Mutual debts of all Belarusian enterprises for oil, gas, and energy resources total more than R8 trillion or 729 billion Russian rubles.

Distortion of domestic and foreign prices, increases in debts for energy resources, lack of budget means necessary to cover losses of importers of energy resources prompt increases in Belarusian debts to other states, primarily to Russia. Oil debts of the Belarusian Ministry of Resources in late May reached R760 billion or 69 billion Russian rubles, gas debts—R5.8 trillion or 533 billion Russian rubles, and electricity debts—$869 billion or 79 billion Russian rubles.

The system regulating economic relations exerts constant pressure on the exchange rate of the Belarusian ruble and triggers its decrease. Taking into account the impact of a stable exchange rate of the Belarusian ruble on the stabilization of the national economy and continued speculations of some of our statesmen on this issue, I will present the bases of this subject.

The economic essence of the ratio of one currency to another is nothing more than the price of money. It, in turn, as the price of any commodity, depends on the market correlation between supply and demand.

It has been tested in practice and confirmed by economic relations that if demand exceeds supply, prices rise. If it is the other way around, prices fall.

Considering the price of money—the currency exchange rate—the correlation between these indexes is defined by trade and payment balances. If they are negative, then the price of a given state's currency is lower than the price a partner-state's currency. When these negative balances increase, prices—the currency rate of a state with this negative tendency in trade and payment balances—continue to fall.

What about these tendencies in the Belarusian economy?

According to the State Committee for Statistics, Belarusian imports in 1993, in particular, from Russia, exceeded exports by R1.149 trillion, while in the first quarter of this year the negative trade balance reached a level of R713 billion.

Due to this negative balance and the aforementioned regulation of intergovernmental agreements, current Belarusian debts to Russia, as of late May, stood at R7.4 trillion or 681 billion Russian rubles. In connection with the increase in the negative balance in trade and current debt, demand for Russian rubles has increased, while in connection with the decrease in exports—the supply of Russian rubles has decreased. This, overall, triggered the devaluation of the Belarusian ruble.

The increase in the supply of Belarusian rubles—due to increased credit allotments by the Belarusian National Bank forced under constant pressure from the government—considerably decreased the exchange rate of the Belarusian ruble. Our estimates indicate that the rate of the Belarusian ruble against the Russian ruble fell in inverse proportion to the increase in earmarked credits.

The increase in the proportion of the Belarusian-Russian trade balance—based on barter and clearing deals—has also had some impact on the falling Belarusian ruble exchange rate. If in 1993 barter deals composed 17 percent of all Belarusian exports, in the first quarter of 1994, that figure reached 30 percent. Barter operations narrow the sphere of the money-exchange relationship and thus increase the disparity between supply and demand for a currency.

The increase in the negative trade and payment balance, growth in the unfounded issue of credits, and the naturalization of foreign trade prompted the drop in the Belarusian ruble exchange rate against the Russian ruble from 1.33 (as of 24 March 1993) to 4.51 (as of January 1994), later to 9.97 (as of 1 April 1994) and 11.00 (as of 1 June 1994).

Therefore, state regulation did not only exacerbate the problems, but also triggered an economic collapse and deep crisis in the financial situation of enterprises and the state. The image of social welfare, however, did develop.

Proceeding from the officially confirmed 35-percent drop in industrial production in the first quarter of 1994 and taking into account the impossibility of selling at least half of all goods produced, the real drop in production stood at 75 percent. By using energy resources and other material elements of production, and selling products at fixed prices, enterprises are operating in a mishmashed environment, which aggravates their financial

situation. The bulk of our enterprises lost their directions and prospects—formed under market relations—for development.

Our agricultural sector is also experiencing difficulties. Increases in state support for this sector of the economy, in the form of state subsidies and favorable credits, does not at all compensate for all losses incurred from violations of price parity for agricultural and industrial goods.

The financial situation in the transportation network—in particular, in city transport—and municipal services due to tariffs, which are lower than production expenditures, is continuing to exacerbate. In particular, 90 percent of costs for housing and municipal services should be subsidized by the state and only 10 percent—be covered by tariffs. Limited subsidies from the budget do not provide for the financial stabilization of the enterprises in this sector.

Eventually, state regulation of the economy, which does not agree with basic economic laws, has exacerbated the already distorted financial situation in Belarus, primarily, its budget, and has prompted a huge budget deficit.

To cover this deficit in the first quarter of this year, the Belarusian National Bank has used its yearly quota of credit issues. Along with this, foreign debts have climbed to such a level that the Republic is in danger of going bankrupt.

The Belarusian people will have to pay a considerable price for overcoming this situation.

Paznyak's Economic Program Outlined

WS1706094594 Minsk NARODNAYA GAZETA in Belarusian 10 Jun 94 p 3

[Unattributed report: "Presidential Candidate Zyanon Paznyak's Economic Program"]

[Text]

I. What "Heritage" Will Z. Paznyak Inherit From the V. Kebich Government?

The Kebich government received all necessary powers from the Supreme Soviet to implement market reforms and stabilize and strengthen the economy of the Republic. However, four years have passed.

Within this period:

—The volume of production has decreased by more than 50 percent;

—Inflation exceeded 50 percent per month;

—Foreign debts now total some $1.5 billion and are growing at a rate of $1 billion a year;

—Prices for basic consumer goods jumped by 3,000 percent;

—Seven in every ten Belarusian citizens live below the poverty level.

Time—the most valuable factor—has been lost. The years 1991 and 1992 were the most favorable for reforming the national economy. This time could have been used to carry out profound reconstruction of the national economy with much lower expenditures, for introducing new jobs, for producing competitive products, and for ensuring public welfare.

The government has not only failed to begin reforming the economy in this direction, but has no idea of how to do this.

II. Reasons for the Economic Crisis

— Deliberate unwillingness on the part of the government to pursue an independent economic policy, the lack of political will—to formulate a track for the state's development—among the majority of Supreme Soviet deputies.

— Violation of basic economic concepts of ownership. The economy preserved its nonmarket nature, however, despite this, [the government] tried to implant market mechanisms and levers. This triggered the mismanagement of, and anarchy in, the production sector, the violation of proportions between work and consumption, which, in turn, prompted profiteering drives, a drop in production, and inflation.

— Continuous destruction of the monetary and credit system.

— Foreign trade is directed against domestic producers, especially against our agricultural workers.

— The preservation of the dominant state ownership in both the industrial and agricultural sectors.

— Lack of goals and programs postulating the transition of the national economy to alternate principles, to the opposite type of production—production based on a market economy.

III. Why Does Belarus Require the Market?

According to the experience of advanced states, the economy has no other mechanisms—other than the market—to promptly report on who requires our products and to objectively report on the efficiency of national enterprises.

IV. Key Principles of Reforms

—In line with the Constitution. In line with Clause No. 1 of the Constitution, "... The Republic of Belarus has all powers on its territory to pursue an independent domestic and foreign policy.

"The Republic of Belarus protects its independence and territorial integrity, constitutional order, and provides for lawfulness and legal order."

The implementation of reforms in the Belarusian economy will entirely correspond to the constitutional principles and vital interests of our people.

—With this purpose in mind, all factors shaping Belarusian statehood—borders, customs checkpoints, a national currency, banking system with the central bank, the ability to protect our state sovereignty (the national Armed Forces)—should be preserved.

—Nonviolation of the principles of the inviolability of ownership and preservation of ownership rights. Each person must be sure that their hard-earned property will never be expropriated.

—In the state-owned sector, functions of maintaining state property and exercising power will be separated. (Functions of exercising power will be transferred to stock holding companies and concerns, while functions of maintaining state property—to the Ministry for Management of State Property; terrestrial property is defined according to the law on land.)

—Market relations—given the equality of all forms of ownership—will be put on a legal footing to provide for:

a) The freedom of economic activity for physical and economic entities;

b) Freedom of people's consumption on the market;

c) Setting conditions for the development of competition.

—The establishment of a private (nonstate) sector in the economy through destatization and privatization, the formulation of state policy encouraging entrepreneurship.

—The adoption of military expenditures standing at no more than 6 percent of Gross National Product.

—State policy aimed at the profound reconstructing of the Belarusian economy and providing selective support to specific enterprises and sectors of the economy which have real chances to enter the global market with competitive products.

—The implementation of monetary reform and the legal strengthening of the national currency of the Republic of Belarus as sole legal tender.

—The establishment of a taxation system aimed at supporting production, the pursuing of an active investment policy; an increase in amortization allotments.

—An active and designated social policy aimed at supporting the unprotected segments of society at the expense of the state and local budgets.

—A guaranteed redemption of state debts to the citizens at the expense of privatizing state property, as well as at the expense of real estate.

—The implementation of a new budget policy based on:

a) The formation of the budget from below, at the local government level,

b) Procurement of profits using state property,

c) The refusal to issue subsidies to producers, however, support for financially insecure citizens is obligatory,

d) Reducing expenditures for maintaining the state administration,

e) Earmarking considerable funds to ensure the legal order, protecting the life and health of citizens, guaranteeing ownership rights, and protecting the property of physical and economic entities,

f) Financing such sectors as culture, scientific development, education, and health care,

g) Financing Chernobyl cleanup programs and establishing a system for ensuring environmental safety.

V. Domestic Economic Policy

The domestic economic policy will set conditions ensuring the stabilization of the economy and providing for the welfare of citizens. To realize this goal, the Belarusian economy must be put on the market track. Special attention will be focused on the nonstate sector of the economy, toward support for small- and mid-sized businesses.

A quick transition to market purchasing and selling of all products and resources will be implemented. This is a key condition for the implementation of reforms ensuring the economic order and giving producers genuine knowledge about the needs of society for specific products, resources, and labor. All the remaining issues—social security, privatization, procurement of foodstuffs, conversion, etc.—cannot be resolved without the absolute independence of businesses on the condition that they receive maximum profits.

Market trade is based on trade contracts and money is the means of serving them. Therefore, we will adopt such a monetary and credit policy that will shrink the monthly inflation rate to 2-3 percent. To implement this, monetary reform—along with establishing the customs territory, accumulating currency reserves, establishing an appropriate financial infrastructure, resolving technical issues such as printing money and drafting a normative basis [not further identified]—will be carried out. During the first stage, accounting checks from the National Bank will receive the status of national currency.

The key means to provide for "sound" money will be the transition of all businesses, irrespective of the forms of ownership, to a system of market relations. In addition, the law on bankruptcy—with all the necessary leverage for its implementation—will be adopted.

Other urgent measures include:

—The legal shaping of the state debt, procedures for its molding, and sources for the redemption of this debt.

—Recognition of compensations—for bank deposits of citizens and residential housing construction cooperatives, and for a part of the pensioners' fund—as related to the category of state debt.

—Implementation of a new policy regarding wages and incomes of state sector workers and employees of budget-sector institutions postulating that people with equal qualifications and job performance are equitably compensated.

—Antimonopoly policy and state control over conditions providing for competition among producers.

—A housing policy aimed at building houses at the expense of the partial utilization of state funds to set up an engineering infrastructure in construction areas and citizens' savings to build houses. To provide for this, financial mortgage institutions will be established.

A state energy program aimed at renewing and developing the national energy-generating capacities will be drafted and implemented. A tariff policy that encourages energy-saving steps and state standards defining obligatory conditions for the conservation of resources will be adopted.

—The implementation of an efficient demographic policy supporting women, children, and young families.

—An efficient migration policy in the interests of the state.

Belarus has considerable raw material and mineral resources. Therefore, a state program regarding the development of ferrous, nonferrous, and rare-earth metals, and additional prospecting for energy resources will be drafted. The proposed technologies should also include stringent environmental controls. A range of agreements—on issuing concessions for extracting raw materials and energy resources on the territory of other states—will be signed.

VI. Land Reform

Land is a key strategic resource of any state. It is on the land where a person lives and produces, on the basis of which agricultural production functions.

The Republic of Belarus—a big state in the middle of Europe with a moderate climate—is rich in land resources.

Attitudes toward land and land management should be economically sound, scientifically founded, and efficient.

Currently, land policy is acquiring a particular weight when our society has to move to a new stage—toward a market economy when the role of the state is considerably decreased, when incompetent politicians can carry out the total privatization of land which is scientifically and methodically unfounded. (By the way, in 1992, the opposition Belarusian Popular Front faction in the Supreme Soviet managed to vote down such concept of privatization, in other words, "collective ownership.") State policy should be rational, scientifically based, and stringent. The government should establish a committee for, and—during the implementation of reforms—a ministry for land resources.

We favor privatizing land ownership, equal rights for all citizens in land privatization, however, we oppose land as a source of profiteering or a basis for the exclusive power of the corrupt nomenklatura (officials).

We require new laws on land. Land should become a commodity, but of a specific nature.

The key condition for the efficient utilization of land and its socially-fair privatization is the establishment of precise land valuation, otherwise, not privatization but land-grabbing will happen. To introduce land evaluation, a special state body should be established which—by not violating the rights of local bodies—will keep privatization in line with state interests.

Local authorities should have their own funds to implement social programs. The land tax—a key source in forming a budget in the agricultural areas—will raise this money. Kolkhozes, sovkhozes, and other users of land should not supplant local bodies, but engage in economic activities and pay—like all other land users—a land tax that is economically founded and equal for all.

It is strictly prohibited to purchase land rights by purchasing real estate. Currently, it is possible to automatically privatize a plot of land in a city when privatizing a shabby house. We will abolish such a practice.

Favoring the unification of the monetary systems of Russia and Belarus, some politicians do not realize the consequences of this move. Unification with a state, which has already established its market structure and mortgage banks, and which has experience in privatizing [state property]—including land—leads to a situation whereby a Belarusian agricultural worker or an entrepreneur (our powers did not allow them to become land owners) could be left without land in their native state.

Privatization of land is not an aim in itself, but a way to raise the efficiency of the economy, a way of guaranteeing the establishment of a network of small enterprises processing agricultural products. This means that agricultural products will be preserved, and our export potential will be increased. This is our key guarantee for any investments and, hence, the primary condition for spurring investment and the economy in general.

The land market—functioning through mortgage banks and land mortgages, a nonemission credit policy—is the

real way out of the crisis, a path along which all developed states had gone. Belarus is extremely rich in land resources. We should now be wise in using them.

VII. Agrarian Policy

The key goal of our agrarian policy is the welfare of an agricultural worker and the efficiency of his work.

Land should reacquire masters, and our society—agricultural workers. As a result, an entrepreneur could engage in private enterprise, and could choose what and where to produce without any state involvement. All forms of organized production—state, collective, and individual—will have equal rights. Kolkhozes, sovkhozes, and farmers could set prices for their products themselves. Only the market will regulate them.

Each producer will become an owner of his own products, and will be able to sell them—for a profit—without any state restrictions. The evil practice of signing obligatory contracts based on low prices will be abolished.

Purchasing land on preferential terms for private ownership with the right to divide and sell it (except for agricultural production) is economic nonsense. Preferential terms could be postulated only when land plots are apportioned to financially insecure sectors of the population for temporary (or indefinite) use within a legal framework. As for the land for agricultural purposes, we favor free privatization of land by those citizens and associations who want to work on this land, however, it would be based on the Republican legislation, on condition that free privatization will account for not more than 30 percent of the total land in this category. Further increases in agricultural land holding will take place at the expense of land leasing from the state (with the right to subsequent purchase) on equal terms for all economic entities irrespective of the forms of ownership.

Our state is slow in competing for agricultural commodities markets. If, in the near future, we do not develop agricultural production that is efficient and competitive, we could even lose our domestic market due to high production costs.

Our businesses will have the opportunity to become market structures, voluntary associations of owners in the form of partnerships, stock partnerships, unions, associations, etc. Equal conditions for the development of various forms of production organizations—both collective and individual—will be created.

State programs for financing technological reconstruction, the proportional development of all sectors of agricultural production will be drafted. A network of agricultural mortgage banks—to credit agricultural production, to build houses and sites of social designation based on property mortgage—will be established in the shortest time possible.

Special attention will be devoted to the processing of the agricultural production. Primarily, all state-owned meat processing factories, dairy plants, sugar refineries, fruit-and-vegetable processing plants, and related businesses will be privatized. All businesses will receive their share of stock. Favorable credits—for purchasing installations and building small processing enterprises—will be earmarked.

To more efficiently use and promptly supply all producers with agricultural vehicles, all agricultural equipment will be privatized. Based on currently existing workshops in the agricultural sector, servicing organizations (stations) will service state, collective, and agricultural businesses and private plots.

Foreign Economic Policy

Our foreign economic policy is aimed at establishing partnerships primarily with neighboring states. Belarus is striving to sign agreements on free trade, customs and currency unions, on ensuring mutual freedom for activity of economic entities, on most-favored-nation status, on ensuring guarantees for the right of ownership, the protection of personal property and property of economic entities on their territories, and in the long run—setting up a common market.

Monopoly in foreign trade will be abolished. The number of suppliers and consumers—particularly, in energy resources—will increase.

A new customs policy—encouraging exports—and a new license policy—regulating imports—will be formulated.

A single free economic and off-shore zone on the territory of the Republic of Belarus—making it attractive to foreign trade—will create new jobs and increase the national income.

Across the territory of Belarus, a free banking zone—based on Swiss banking laws—will be established. This will make Belarus attractive to foreign banks and investment companies.

A system of international exchanges—stock, energy resources, metals, grain—will be established.

Kebich Presidential Program Published

WS1706083094 Minsk RESPUBLIKA in Russian 8 Jun 94 pp 2, 3

["The program of Vyachaslaw Kebich, candidate for the presidency of the Republic of Belarus"]

[Text] Dear compatriots!

As a candidate for the presidency of the Republic of Belarus, I am ready to take upon myself the responsibility of expressing and defending the interests of the people of my Republic by constitutional means.

I am convinced that the primary goals of our people and our state are peace and accord, security, material prosperity, revival of national culture, strengthening of democracy and lawfulness, and observance of human rights and freedoms.

Belarus should create a society of high economic effectiveness and social justice, which guarantees the right to employment, free-of-charge secondary [bazovoye] education and medical service, as well as pension and social protection. The state is called to create conditions allowing every man to secure his family's living by means of his own work.

These are hard times for all of us. Securing our statehood and economy is a difficult task.

Notwithstanding all measures taken by me, the disruption of traditional economic ties, as well as political and economic instability in our partner countries have not been conducive to stabilizing our economic situation. We are shouldering a heavy burden of costs connected with the aftermath of the Chernobyl catastrophe. The Republic has been left practically alone in the face of this misfortune. National income and the standard of living have decreased.

Belarus, as other countries of the CIS and East Europe, was not able to join the world economy for objective reasons. A new social and economic system for the organization of society has not been formed. A legislation basis for deep transformation and a mechanism for implementing resolutions has not been created. Such is the truth about our life. This is our fault and our misery.

However, notwithstanding these extremely difficult circumstances, our population has been provided, through superior efforts, with all the basics: electricity, heat, gas, foodstuffs.

Our industry, agriculture, culture, science, and education have not been allowed to break down. The manageability of our economy and the social achievements of the people have been preserved. National accord in our society has been preserved. We live in peace and friendship with other nations.

We have eliminated many barriers in relations between Belarus and Russia, as well as taken the first steps toward our economic unification. We defeated fascism together, we will overcome the crisis together, we should head toward the future together!

I heartily thank you, all the people, for your great wisdom and endurance, selfless labor, and faith in our Belarus during this hard period in our history. This gives strength to my assurance that we will overcome all difficulties and obstacles on the way toward a worthy and prosperous life.

I appeal to the people of Belarus, the soviets at all levels, trade unions, all parties and movements to unite our efforts to overcome the crisis and to lead our Republic toward normal development. I do not belong to any party, and I will defend the interests of all citizens regardless of their political views and their ideological or religious beliefs. The interests of the people come first for me.

I believe that the president should serve his people honestly and be a guarantor of the Constitution, as well as civil rights and freedoms. I will create every possible condition for the revival and development of the national culture and the Belarusian language. I will guarantee the right to profess any religion.

The people of Belarus should live in dignity, without fear for the future, and be proud of themselves and their Motherland!

I will resolutely and uncompromisingly fight corruption and crime. I will safeguard personal immunity and protection from interference in the individual's personal life.

Our way is that of a civilized humane nation, the way without ruining the existing social achievements, the way of rational transformations without impoverishing the people.

I definitely oppose the ruining of our national intellectual potential—the Republic's most valuable possession; I oppose the decreasing of the social significance of intellectual work and the immigration of intelligentsia.

I will not allow any manifestation of militant nationalism and chauvinism, as well as any political confrontation with neighboring countries or others. I believe that inciting ethnic feuds is a grave crime. There are, and will always be, "second-class" citizens in Belarus. I reject violence as a means of resolving political and interethnic problems.

I am against economic isolationism, against unreasoned sociological and economic experiments, against pseudo-reforms.

I will be consequently seeking rapprochement, as well as the strengthening and development of cooperation with Russia, Ukraine, and other democratic states of the world community.

The future of our nation lies in the health and prosperity of our children today. I guarantee the president's special attention to the protection of maternity and childhood. I will seek additional preferential measures for working women and mothers. I will propose a national program, "The Future of Belarus," which will not only protect, but also develop national health.

The Republic of Belarus Should Have a New Social and Economic System

The basis for a new social and economic system should be the Constitution, the principles of national security, economic effectiveness, and social justice, and the need for harmonizing interests of all segments of society.

Economic Transformations Should Serve Each and All the People

It is necessary to establish the priority of economic over political interest and to create a system of civilized management of the economy without administrative restrictions.

I see the creation of a new social and economic system in Belarus as connected with structural transformations in all spheres, above all, with the distribution of ownership and the optimization of money and credit system, financial relations, tax policies, the implementation of a new structure of the national economy and foreign economic relations, the improvement of state management, and the social protection of the population.

Privatization controlled by the state will be oriented toward overcoming the crisis, restructuring and stabilizing the economy, as well as increasing the economic effectiveness and the people's welfare. I am behind privatization.

These goals will be achieved by:

— Clear definition of ownership;

— Simplification of procedures for privatization in the interest of the workers;

— Redistribution of state property between Republican and local levels on behalf of the latter;

— Clear definition of state enterprises' status as well as the conditions for owning, using, and managing state property;

— Creation of an infrastructure of market economy;

— Creation of Republic's mortgage funds as guarantees to big domestic and foreign investors.

State Regulation of the Economy. It is necessary to leave basic and socially important branches under state control: the fuel and energy sector, finance, transportation, communication, science and education, social protection, ecology, and natural resources.

The president and the government will ensure:

— Control over state enterprises and sectors not subject to privatization;

— Reorganization and redirection of state enterprises based upon the concept of new economy;

— Management of state investments and subsidies;

— Management of employment and job placement for young people in order to prevent mass unemployment.

The clear and just criteria for distributing financial and other means between central and local authority bodies will be established on a legislative basis.

Monetary and Credit System; Financial, Currency, and Tax Policies.

In the new social and economic system and socially oriented market economy, the banking system will play a significant role.

Banking legislation will be improved and a new system of management of the National Bank will be implemented to further the development of the Republic's economy. The state will ensure support for basic and socially important branches.

I will implement a network of anti-inflation measures, including:

— Restoration of ruined financial and economic relations;

— Utmost use of effective production capabilities;

— Indexation of pensions and bank savings, the curbing of the increase of prices;

— Introduction of a new mechanism for issuing credits to enterprises and people;

— Encouragement of state activities in investments;

— Control over the formation of prices and tariffs for certain types of foodstuffs and services;

— Developing free business and trade zones.

I will make every effort to implement a progressive system of taxation and to develop the stock and bond market.

All conditions to attract foreign investors will be created.

Restructuring Industry

The primary task is to halt the crisis and stabilize production. The strategic goal for Belarus is to join the world economic system.

All conditions for encouraging production of domestic and foreign investors will be created. Scientific and production potential of military industry will be oriented toward science intensive technologies, technological reequipment of the economy, needs of social sphere, and the production of consumer goods.

I head the work for restructuring our economy, therefore I will not allow bankruptcy of enterprises producing goods necessary for people; I will assist and support such enterprises.

To form market and develop private business, I will guarantee the freedom in choosing directions and spheres of activity, including foreign trade, as well as the equal chances for all economic entities and support for small- and medium-sized business in the interests of all society.

I will pay special attention to legal protection and economic support of industry, agriculture and private business, as well as to protection of our manufacturers from unreasonable imports.

I will decrease taxes on imports of modern technologies, equipment for industry and agriculture, and especially necessary consumer goods.

In the period of transition to a market economy, I will establish a state antimonopoly control and prevent any interference in business undertaking activity.

Land Should Be Taken by Landlords To Revive the Countryside

I guarantee state support for agriculture.

I believe that a man working on land should be able to sell his produce without difficulties and live prosperously by his work. Guided by this principle, I support a transition to modern multistructured agriculture which comprises various complementary forms of ownership—state, cooperative, and private.

I uphold kolkhozes and sovkhozes; I will support their voluntary transformation into joint-stock companies. I uphold the formation of a reliable structure for agricultural production. I uphold the development of strong personal truck farms free from taxes.

I will support agricultural and agro-industrial enterprises financially; I will introduce only two taxes in agriculture—the differential tax and the property tax.

I will disallow profiteering in land and administration interference in farming. Farming will be operated solely according to economic levers and the principle of a just parity of prices.

Qualified agricultural workers are our national pride. They are called on to safeguard the Republic's needs in foodstuffs. Carrying out rational transformations in the countryside is their responsibility.

I believe it necessary to introduce state subsidies for prospective branches of agricultural production—highest-quality seed farming, livestock breeding, flax growing, implementing modern and ecologically clean technologies.

I will safeguard the social revival of the countryside.

The Government is for the People, Not the People for the Government

This slogan by our national hero Kastus Kalinowski [leader of the anti-czarist uprising in the 19th century] is, in my opinion, a basic principle underlying the formation of a new system of state management.

I believe it to be my holy duty to safeguard the unconditional fulfillment of the Constitution and the laws of the Republic of Belarus.

I will seek to ensure the precedence of law over the current authority, observance of personal rights and freedoms, and equality of all citizens before the law regardless of their official positions. I will safeguard strong control over the implementation of adopted laws and resolutions at all levels.

I will resolutely and rationally lead an uncompromising fight against crime and corruption.

Guided by the Constitution, I will propose a new Cabinet of Ministers consisting of competent, highly-educated, and trustworthy people who are loyal to the principles of democracy and national sovereignty. I am ready to invite experts from various parties and movements to participate in the government.

Security of Citizens and the State, Resolution of Ecological Problems Means Order in Our Common Home

The president will be a guarantor of security for citizens and the state. I will create a reliable system of national security. The Republic will take part in the CIS collective security system. A buildup of the Belarusian Armed Forces and the maintenance of their combat readiness will be accomplished in the interests of the people and according to the Belarusian Constitution and the state military doctrine.

I will firmly defend the personal security of every citizen, every family, and all economic entities by all legal means. Safeguarding security and justice, strengthening of law and order, and protection of human rights are the most important tasks of the presidency as well as priorities for the nation.

The accident at the Chernobyl Nuclear Power Plant is the most serious catastrophe in the history of mankind. Along with the entire nation, I am extremely concerned about the ecological situation in our Republic.

I will initiate the adoption of a law on protection of the nation's ecology. I will seek to focus all means and resources, allocated by our Republic and the world community to deal with the aftermath of this terrible tragedy, to restore a healthy environment and to abandon harmful technologies.

I will ensure that every person will have the right to due process and material compensation for injuries due to toxic accidents.

We are doomed to live on land contaminated by Chernobyl. I, as the president, will do everything under these difficult circumstances no only to preserve the nation but also create conditions for its development.

Social Policy Will Be Pursued in Everybody's Interest

The formation of a new social and economic system is impossible without a strong social policy by the president.

My new social policy provides for the following:

—Preservation of social achievements of the people; the indexation of pensions and savings in 1994-95;

—Creation of conditions for every able-bodied citizens to enjoy their right to work with a guarantee for protection of other rights and freedoms;

—Legislative regulation of high incomes through the system of progressive taxation with the purpose of eliminating economic stratification and economic inequality;

—Legislative guarantees for a minimum income with definition of a clear mechanism for changing this minimum;

—Increase of living space funded by the state and means from other sources; a guarantee of housing for socially unprotected citizens of Belarus.

I favor improving the social protection system. I will pay special attention to the introduction of social benefits for sick people, invalids, single mothers and large families, orphans, mothers of perished sons, and veterans.

A system of multipurpose credits for young people and young families will be implemented to promote and upgrade vocational training, facilitate obtaining housing, and expedite acquiring personal property.

An important task of the state will be to support families and women—mothers and educators of our children. As early as 1994, I will introduce special state deposits to obtain housing for every newly-born Belarusian citizen.

Special attention will be given to health care to heighten its effectivity and quality. I guarantee available and free medical care for all segments and groups of society. The development of paid forms of health care will be pursued without replacing free health care. New forms of financing will be provided, as well as improved medicines and new equipment, produced due to conversion; incomes of medical workers will be increased.

The state will become a guarantor of fair compensation for servicemen and workers of law enforcement bodies, considering their difficult service of protecting the people and the state. Before having been transferred to the reserve, every serviceman will have an opportunity to retrain to a civil profession. I guarantee preferences for servicemen in pension and housing security.

I will pay special attention to youth employment. Graduates of higher educational institutions and technical high schools will be provided jobs. Stipends for students will be established at a level no lower than the minimum wage.

I will submit a proposal for granting amnesty to certain categories of citizens.

I will support the development of physical training and sports as well as the Olympic movement. We are proud of our celebrated sportsmen and Olympic athletes.

I consider the partnership between the government and employers, trade unions, and other social organizations as important.

Culture, Education, and Science Are Our Priorities

Man should have the highest value in our society. The Republic of Belarus should join the global system of education, science, and culture.

Regarding education, I propose:

—To create a system of modern preschool and school education, directed toward the formation of a highly moral person and toward inculcation of spiritual values, patriotism, respect toward parents and the older generation; I will ensure a significant increase in teachers' incomes;

—To develop an open state vocational and technical education ensuring modern professions to people.

Young people will have the possibility to be educated on a competitive basis at the state's expense in domestic educational institutions and leading foreign educational centers. Every needy student will be granted a place in the student dormitory on preferential terms.

The harmonious development of the Belarusian nation cannot be separated from the Russian culture and language. I support the idea of establishing an open Slav university. I will uphold the development of schools with instruction in the national languages of Belarusian minorities on the basis of unified state programs.

I will strive to restructure science, as well as concentrate the efforts of academic and branch scientific research institutes in resolving priority problems. I will ensure first-priority subsidies for fundamental research based on state orders.

I guarantee fair compensation to scientific workers, stipends for scientific degrees, and intellectual property protection for scientists and inventors.

The situation in culture is an indicator of the moral health of the people!

Using all the president's prerogatives, I will support the revival of all ethnic cultures, the Belarusian language, traditions, and moral values; I will ensure the protection of monuments of culture and architecture, art and history.

I will assist in the creation of Belarusian cultural centers in foreign countries; I will develop relations with Belarusian immigrants.

I will oppose allowing low-quality culture into Belarus, as well as the disruption of scientific, cultural, and informational spheres.Article 227, the second point of the Criminal Code of the Moldovan Soviet Socialist Republic.

Belarus Is Open to Mutually Beneficial Cooperation

Our foreign policy will be based on the principles and norms of international law, on the rejection of the use of force or the threat to use force.

The strengthening of our statehood and sovereignty as well as the use of our geopolitical location is a necessary basis [as published] for joining the system of new international relations by Belarus.

I will pay special attention to the strengthening of a mutually beneficial political and economic union with Russia and Ukraine—a reliable core of the CIS—and to the development of friendly and equal relations with all states.

Essential steps will be taken by Belarus toward integration with the European and the global system of political, economic, and trade relations.

The proposed program will be implemented in two basic stages.

The first stage, 1994-95, will focus on stabilizing the economy, overcoming crises, and implementing a strong social policy in the interests of the people. The second stage, 1996-97, will focus on an intensive structural transformation of the economy and state system, an equal global partnership, and a significant increase in the peoples' prosperity.

Dear compatriots!

Everyone of us faces an important decision on the day of the presidential elections. Your future and the future of your children depends on who you will elect the president.

I have served my nation honestly and conscientiously during all my life. In the course of preparing these programs and meeting with people, I had to reconsider and reevaluate many issues. How to lead Belarus out of the crisis? How to make people's lives secure and happy? The solutions to these problems are proposed to a considerable extent in my program.

I think that I will express the opinion of the majority of my fellow citizens by stating that we need a strong executive power, discipline, and responsibility to overcome today's crisis. I fully realize that all the responsibility for implementing this program should be shouldered by the president.

My experience as well as the powers vested in the presidency by the Constitution strengthen my certitude that this program will be fulfilled.

I declare my intent to seek your confidence through constitutional means during the election of the president of the Republic of Belarus.

On 23 June, you will make your choice prompted by your wisdom, mind, and heart.

Moldova

Ruling Party Head Views Draft Bill on Official Language

AU2106104394 Chisinau BASAPRESS in English 2010 GMT 16 Jun 94

[Text] Comrat BASAPRESS, 16/6/1994—Yesterday Dumitru Motpan, Moldovan Parliament deputy speaker [and chairman of the ruling Democratic Agrarian Party of Moldova—PDAM], took part in a Comrat conference of agricultural-industrial managers dedicated to agricultural reform. In his speech, Motpan said that "in the near future the Chisinau Parliament will examine the draft law on official language with a series of modifications introduced by the responsible parliamentary commission." The current law on official language was approved by Moldova's Parliament on 31 August 1989. It does not contain the term "attestation." This term was later added by the Language Department and now is perceived by non-Romanian ethnics as a scarecrow, said Dumitru Motpan. Asked about what kind of modifications were made, Motpan told BASAPRESS that first "the period for studying Romanian will be prolonged through 1996 to enable people to perform their duties." The requirement to know the language of the population in localities where officials perform their duty is valid for all leaders regardless of their nationality, stated Dumitru Motpan. The Gagauz-eri-Gagaouzia draft law stipulates that the local administration will use Gagaouzian and Russian in its office work. Correspondence with the Moldovan leadership and economic units will be made in the official language and Russian.

Dniester Releases Ilascu Group Detainee Godiac

AU2106100894 Chisinau BASAPRESS in English 2010 GMT 16 Jun 94

[Text] Chisinau BASAPRESS, 16/6/1994—Petru Godiac, condemned by a Dniester court to two years of imprisonment following the Ilascu group's trial, was set free on 12 June, declared to BASAPRESS on behalf of Ivan Fuchiji, minister of interior of Tiraspol [Dniester Republic], Oleg Palamarchuk, chief of the Dniester Ministry of Interior's Secretariat. Palamarchuk refused to give any information on the conditions of detention of the remaining detainees. Valentin Dolganiuc, leader of the parliamentary block of the Alliance of Christian-Democratic Popular Front of Moldova [AFPCDM], confirmed in an interview to BASAPRESS that Godiac was set free and presently is with his parents in Stefan-Voda. Petru Godiac, born on 1 September 1967, in the village of Talmaz, Suvorov district, completed a secondary education, is married, and most recently worked as a driver at the Tiraspol spinning mill for the department of transportation. He was arrested on 12 June 1992 and condemned at the Ilascu group's trial, according with Article 227, the second point of the Criminal Code of the Moldovan Soviet Socialist Republic.

Kazakhstan

Nazarbayev Speaks on Ways of Overcoming Crisis

LD2006161094 Almaty Kazakh Radio Network in Kazakh 1400 GMT 20 Jun 94

[Text] Nursultan Nazarbayev visited East Kazakhstan and Semipalatinsk oblasts at the end of last week. He introduced the new head of the regional administration Yuriy Lavrinenko at a meeting in Ust-Kamenogorsk. Then he left for Semipalatinsk where he introduced the new head of the regional administration Galymzhan Zhakyanov. During a meeting there Nazarbayev briefed his audience on the current economic situation in the Republic. He said that we should toughen up control over credit allocation to enterprises so as to speed up the process of lifting the country's economy out of crisis. The existing economic situation should be taken into account in addressing any issue.

In a message to parliamentarians Nazarbayev dwelled on ways of overcoming the crisis. He paid special attention to the need for stability in society. This stability can be maintained provided all citizens have equal opportunities and a careful personnel policy based on regional characteristics is carried out. The main thing is not to allow any kind of provocations, and to observe the law on bringing charges against those who inflame national feelings. The president answered all the questions during the meetings.

Nazarbayev Releases Almaty Mayor From Post

LD2106090794 Almaty Kazakh Radio Network in Kazakh 0100 GMT 21 Jun 94

[Text] By an edict of the president of the Republic of Kazakhstan, Zamanbek Nurkadilov has been relieved of his post as the head of Almaty administration due to the new appointment.

IMF Loans $30 Million to Reconstruct Oil-Production System

LD2006145794 Moscow INTERFAX in English 1306 GMT 20 Jun 94

[Text] The International Monetary Fund has extended $30 million to the Kazakh oil and gas amalgamation Mangistaumunaigaz to be used for the reconstruction of the oil-production system in Uzen (western Kazakhstan).

Experts told the Oil Information Agency that the IMF credit would be invested in the construction of a facility for collecting oil leakage and oil-industry wastes, and for processing them into quality gasoline.

Kazakhstan's Department for Environmental Protection and Biological Resources reports that more than 16,000 square meters of fertile soil has been polluted in Uzen. The oil pools are polluting the air with hydrogen sulphide, whose content exceeds the admissible level.

Tax Inspectors Return 20 Million Tenge to Budget in North

LD2106095394 Almaty Kazakh Radio Network in Kazakh 0100 GMT 21 Jun 94

[Text] Tax inspectorates of North Kazakhstan Oblast have audited 2,000 enterprises and works. As a result of checks 20 million tenge has been returned to the state budget.

Kyrgyzstan

Premier Receives Japanese Businessmen

LD2006145194 Moscow INTERFAX in English 1359 GMT 20 Jun 94

[Text] Kyrgyz Prime Minister Abbas Dzhumagulov called on Japanese businessmen to play a part in reforming his country's economy. When he met with them in Bishkek Monday [20 June], he called on Japanese businessmen to invest in the reconstruction of defense, engineering and food processing industries.

Dzhumagulov believed that as little as 7 to 8 pct of the country's rushing water is used to generate electricity and that Japanese participation in construction of small, medium, and large hydro power stations would be profitable to both countries.

He also invited them to invest in the construction of a factory manufacturing semi-conductors in the south of Kyrgyzstan.

Dzhumagulov emphasized that he pinned great hopes on the Kyrgyz-Japanese Economic Cooperation Commission, which he heads. He will attend its session in Tokyo next November.

Dzhumagulov said that the government had set up a reconstruction and development bank which reflects the Japanese way of doing things. The bank will mobilize state resources to finance and credit priority projects and support small and medium business in priority fields.

Discuss Investment Projects

LD2006163494 Moscow INTERFAX in English 1439 GMT 20 Jun 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] President Akayev pins great hopes on broader economic cooperation with Japan and on greater Japanese investment in specific projects.

Akayev told Japanese Ambassador Kiji Watanabe during the ceremony of the presentation of credentials, that since the first days of independence, Bishkek and Tokyo had been maintaining relations of trust and friendship. "No other country helps us more than Japan

in promoting economic restructuring and the reorganization of the banking and communication systems," he said.

On the same day, Kyrgyz Prime Minister Apas Zhumagulov met with Japanese businessmen to discuss the role of Japan in the economic restructuring program. He proposed that Japan invest in the Kyrgyz defense, machine-building and agriculture-related industries.

Zhumagulov said that only about 8 percent of Kyrgyzstan's hydro-energy resources were used, and that Japan's participation in the construction of small, medium and big hydro-power plants might benefit both countries.

As an example of bilateral cooperation he referred to the plant for the production of semiconductors which is being built in the south of Kyrgyzstan. This plant is expected to manufacture 1000 tonnes of poly-and monocrystal silicon a year.

Zhumagulov told Interfax that relations between Kyrgyzstan and Japan were broadening and that he expected much of the Kyrgyz-Japanese committee for economic cooperation, which is to meet in Tokyo next November.

Uzbekistan Threatens To Cut Off Kyrgyz Gas Supplies

MK2106091094 Moscow PRAVDA in Russian 21 Jun 94 p 1

[Report by Yuriy Razgulyayev: "Gas, Water, and-...Hurt"]

[Text] Residents of many cities in Kirghizia [Kyrgyzstan] are anxiously turning their gas cookers on and off to see if there is still gas. Once again they face the threat of "blue fuel" cuts. The threat comes from Uzbekistan, the main supplier, for failing to pay for gas already received.

Compared with the previous debts, the sum is not too large—some $10 million. Politics lends the sum a special weight, however. Experts think Uzbekistan's stance has toughened considerably in the wake of A. Akayev's visit to Western Europe. Its neighbors, especially President I. Karimov, did not much like A. Akayev's statements to the effect that Kirghizia is the only country in the region that is following the correct democratic path and that the som is the most stable currency in Central Asia.

Whether these guesses are right or not, a fuel blockade carries the threat of very serious jolts for the Republic. Indeed, they do not only use gas in homes there. It is used by many heating systems and by industrial enterprises for manufacturing purposes. To all appearances, now they will be obliged to look for alternative sources of energy. Even if Uzbekistan does not turn off the valve, the price of gas will grow all the same, and most of the customers will just not be able to afford it.

The government has already recommended urgently converting social and production facilities to the use of electricity for the winter. But this is easier said than done, since it is tantamount to a new electrification of the entire republic. Material expenditure apart, the deadline is simply unrealistic. The plan would take many years, rather than months, of sustained and very expensive work.

However, a cornered Kirghizia is prepared to make a no less weighty move. Uzbekistan's key strategic asset—cotton—is highly dependent on water from the Naryn. The water has long been flowing freely. In its path there stands the Toktogul hydroelectric power station that belongs to Kirghizia. Should the spillways be closed, the Fergana Valley plantations would have a hard time.

Humanitarian Aid Delivered From ROK

LD2006105894 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 19 Jun 94

[Text] South Korea has delivered 1.5 tonnes of humanitarian aid, including blankets and medicines, to the Ministry of Health of Kyrgyzstan. The consignment was brought by the Korean ambassador to Kazakhstan and Kyrgyzstan. This is his second visit to our republic, the first one being three months ago when he presented his credentials.

The ambassador has met with representatives of the Korean diaspora. More than 18,000 Koreans are living in Kyrgyzstan, more than 10,000 of them in the capital. A number of joint ventures have been set up with them.

Tajikistan

Offensive on Afghan Border 'Thwarted'

LD2006124894 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 20 Jun 94

[From the "Novosti" newscast]

[Text] We continue to receive reports of death and injury in Tajikistan, as well as attempts by armed guerrillas to force their way into the Republic from Afghanistan. Our correspondent will tell you in more detail about the situation there:

[Reporter Mikhail Nikulin in Tajikistan—identified by caption] It was right here, on the so-called Pyanj sector, that a massive offensive by armed detachments of the Tajik opposition was supposed to take place on the eve of the inter-Tajik talks in Tehran. According to reports from military intelligence, such a decision was taken at a meeting of field commanders of several formations based in northern Afghanistan. Russian border guards, together with the command of the collective peacekeeping forces, have taken additional measures to strengthen this section of the border.

[V. Novikov, chief of staff of Russian border guards in Tajikistan—identified by caption] We can now say that those strategic schemes, which the enemy and the opposition were hatching, have effectively been thwarted. We can see that the situation here is stabilizing. But, on literally every centimeter of the border, you can still sense that it is explosive, ready to explode at any moment.

[Nikulin] But this temporary lull prevails only on this section of the 1,200 km border. Elsewhere [pauses]

[Novikov, interrupting] Shelling is continuing, attacks are continuing, provocations of various kinds are continuing.

[Nikulin] During the first 20 days of June alone there have already been over 10 armed provocations on the border, as a result of which the opposition lost over 15 militants.

Russian Border Guard Helipad Attacked; Man Detained

LD2106081394 Moscow ITAR-TASS in English 0755 GMT 21 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 21 June TASS—A helipad, belonging to the Russian Frontier Guard Regiment deployed in Tajiksitan, came udner fire on Monday afternoon. According to military sources, the firing was carried out from the neighbouring "Russia" collective farm which borders the Dushanbe airport. One man, suspected of carrying out the terroristic act, was detained. An investigation is underway.

Russian Ambassador Comments on Security Situation

LD2106104494 Moscow Ostankino Television First Channel Network in Russian 0500 GMT 21 Jun 94

[Text] The murder of military personnel and state officials in Tajikistan has become an epidemic. Three republican Internal Affairs Ministry officials were killed in a Dushanbe suburb the other day. Two others are still missing. Another 12 people have been injured as a result of a sortie by Tajik opposition guerrillas. All this is despite highly encouraging information arriving from Tehran, where inter-Tajik talks are being held.

[Nikulin] A series of acts of terrorism have been committed in Tajikistan since the start of June. The principal victims have been servicemen of the collective peacekeeping forces, the Russian border troops and the Tajik Defense Ministry. These incidents worried the public at large. Nobody in the Republic doubts that these deeds were carefully planned in advance and that their aim is to destabilize the sociopolitical situation and to wreck the second round of inter-Tajik talks which has begun in Tehran.

Concerned at the rampage of crime, foreign missions and embassies accredited in Tajikistan are taking steps to guarantee the safety of their staff. The U.S. State Department has even advised its citizens to avoid trips to this Central Asian republic for the time being. But, no doubt, the greatest alarm at the events taking place here is felt at the Russian Embassy. After all, most of the officers who have been killed by terrorists have been Russian.

[Sinkevich] As ambassador, I have every reason to state quite authoritatively, on behalf of my government, that Russia will not sit idly by. It will take all necessary steps to guarantee the safety of Russian servicemen and our fellow-countrymen. Russia reserves the right to use all the resources at its disposal to this end. We hope that the same resources will be deployed by the Government of Tajikistan.

Japanese Ambassador Arrives, Meets With President

LD2106110094 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 21 Jun 94

[Text] A delegation of Japanese businessmen led by Koji Watanabe, Japan's ambassador extraordinary and plenipotentiary to the Russian Federation, arrived in Dushanbe today.

Ambassador Watanabe met with First Deputy Foreign Minister Erkin Rahmatulloyev and later the distinguished guest was received by President Emomali Rakhmonov. It is expected that Mr. Watanabe will be received by Council of Ministers Chairman Abdujalil Samadov. At the same time, the Japanese entrepreneurs who are among the delegation will be seeking reliable and profitable partners among Tajik businessmen.

Tajik Opposition Leader Interviewed in Afghanistan

PM2006122794 Moscow IZVESTIYA in Russian 18 Jun 94 First Edition p 4

[Report by Dododzhoni Atovullo: "Two Wars at the Same Time; Reportage from Tajik Refugee Camp in Afghanistan"]

[Excerpts] Peshawar-Kondoz-Moscow—From Peshawar it is four hours by jeep to the Afghan border and then two days to Kabul, from Kabul it takes four days' journey north by donkey and horse across the mountain passes to reach Kondoz. It is here, in Afghanistan's Northern province, that the largest settlements of Tajiks or, as they also called, refugee camps, are situated.

Over the past two years out of 5 million Tajiks over 300,000 have died or gone missing and about 1 million have fled and are now living in Russia, Ukraine, Kazakhstan, Turkmenia, Kirghizia, Pakistan, and Afghanistan. Over 70,000 former Tajikistan citizens are living in four camps around Kondoz. [passage omitted]

Not only everywhere in the refugee camps—in the dugouts, tents, and simply on the trees—but also in almost all the stores of Kondoz and Tolikon [name as transliterated] you can find posters of Said Abdullokha Nuri. This is the only opposition leader to have been with the refugees constantly and from the first day.

He gives interviews to virtually no one but I managed to talk with him specially for IZVESTIYA:

"We thought our stay in exile would be temporary and very brief. But it has all turned out differently. The government's calls for national conciliation, the general amnesty, and statements about building a democracy state in Tajikistan have proved to be nothing but cover for the self-seeking designs and political ambitions of those leaders whose intransigence is hostile and harmful to the interests of the overwhelming majority of the Republic's population."

"But what do you hope for?"

"For talks. Of course this is a long and complex path, but it is the only one that save a people who are tormented, tormented, and mortally tired of war."

"What will your actions be if the talks nonetheless fail to produce results?"

"War. Protracted civil war. We know that means new sufferings and broken destinies and that it is an impasse, but we cannot repeat the mistakes of our predecessors who have twice in one century been exiled from their own land. We must return to our homeland honorably and with dignity. The key to the Tajik conflict is in Moscow. If Moscow wants all knots can be untangled. I have frequently said and I repeat once more: We are in favor of always having close ties with Russia, we recognize its geopolitical interests, and we are in favor of Russian troops guarding the border but we want one thing—Russia must not interfere in the internal Tajik conflict by supporting one side." [passage omitted]

Armenia

World Bank Delegations Arrive, Evaluate Economic Needs

NC2006114494 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0907 GMT 19 Jun 94

[Text] Yerevan ("LRAGIR", "GOLOS ARMENII" dailies), 06/18/94—Three delegations of the World Bank have arrived to Yerevan together with its representative to Armenia Vahram Nersisyan.

Before implementation, World Bank projects need to have analytic basis, which is being prepared by mentioned delegations.

One of them will be dealing with a social investment program, mainly to alleviate the consequences of privatization and, particularly, to slow down the increasing unemployment rate. The other delegation will prepare a project of economic structural changes. Third will investigate the current economic conditions in the republic and prepare measures for economic improvements.

In Vahram Nersisyan's opinion, some $50-100 mln are needed for general economic improvements in Armenia. Nevertheless, large credits are difficult to obtain, as sources of finances are not quite sure they will be able to get their money back consistently and in time.

Credits for mentioned preparatory operations are given not to the government of the republic, but to executive organizations and their foreign specialists. In other words, the credit is given to Armenia, but the money is paid to foreign specialists, who work for development of projects for Armenia. The debt is, naturally, to be paid by Armenia.

Armenia is not the only country in the region, which appeared in such conditions. The World Bank will give a similar credit to support structural changes in Azerbaijan, which will have to pay it back in the same way.

According to the Armenian representative of the World Bank, these are "first window" credits. "Second window" credits will provide money to financial structures of the republic. Similar credits have been particularly received by Russia and Baltic republics. Armenia has never received such credits so far. Structural changes credit of $12 mln., $28 mln. credit for the earthquake zone and $40 mln. for the irrigation system project have been allocated for Armenia. The latter has not been affirmed yet, but $1.5 mln. have already been allocated for analytic work. Another $30 mln. of energy credit is to be acknowledged by the end of the year.

Vahram Nersisyan promises that, if peace is stable, he will aspire to doubling and tripling the credits to Armenia so that it receives $200-300 mln. from the World Bank yearly.

Parliament Chairman Leaves For Black Sea Meeting

NC2006141694 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 20 Jun 94

[Text] An Armenian Supreme Council delegation headed by Babken Ararktsyan, chairman of the parliament, left for Bucharest to take part in the session of the Black Sea Economic Cooperation Parliamentary Assembly to be held in the Romanian capital Bucharest between 20 and 22 June.

Consumer Market Prices Increase

NC2006193894 Yerevan SNARK in English 1208 GMT 20 Jun 94

[Text] Yerevan. [dateline as received] Price growth at the consumer market of Armenia is going on. The State Department of Statistics told SNARK the growth of foodstuff prices in May made up 65.3 percent, as compared with April. The specialists mention that the prices on bread increased more than two times, on fruit—1.8 times, on vegetables and potatoes—1.6 times. During the same period (April-May 1994) the prices on manufactured goods increased 25 percent. Thus, the prices on non-ferrous metallurgy production increased 66.6 percent, food industry—52.3 percent, power engineering—41.6 percent, industry of building materials—31.9 percent. The tariffs in the chemical, oil and biotechnology industries increased 2.2 times. The average growth of prices on manufactured goods in May 1994 made up 57.4 percent, as compared with last May.

Azerbaijan

Aliyev, U.S. Envoy Discuss Karabakh, Ties

NC2006191594 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 20 Jun 94

[Text] Today Azerbaijani President Geydar Aliyev received the U.S. Ambassador to Azerbaijan Richard Kauzlarich at the latter's request.

President Geydar Aliyev was interested in the results of Ambassador Richard Kuazlarich's visit to Washington, and noted that at around the same time he had paid an official visit to Turkey.

Ambassador Richard Kauzlarich said that while he was in the United States he held important meetings with a number of officials, including Secretary of State Warren Christopher, Strobe Talbott, and various congressmen. Richard Kauzlarich stressed particularly that the Secretary of State was pleased with his meeting with the Azerbaijani president. He noted that positive changes in relations with Azerbaijan is palpable in the United States and the Western countries. The Ambassador also noted that the United States is exerting serious efforts to increase the CSCE role in the solution of the Karabakh problem, and that his country is becoming more active in this direction.

The Azerbaijani president said that he was pleased with his Istanbul trip, particularly with his meeting with U.S. Secretary of State Warren Christopher. He said he was certain that the meeting would play an important role in the further development of Azerbaijan-U.S. relations. He also said they had an extensive discussion on Armenia's aggression against Azerbaijan.

President Geydar Aliyev noted that we have not relinquished our previous approach, and that we demand the withdrawal of the aggressive forces from the occupied lands, the guaranteeing of Azerbaijan's territorial integrity, and the inviolability of its borders. We assess highly the role international organizations play in such important issues, and stressed that the CSCE Minsk Group's efforts on the matter will be very important. President Geydar Aliyev also touched upon the agreements reached during the meetings with the chairman of the [CSCE Minsk] Group Jan Eliasson and Russian Defense Minister Pavel Grachev. He reiterated Azerbaijan's positions on this issue.

[Begin Aliyev recording] During the talks we declared that we are in favor of settling these issues peacefully and asked him [not further identified] to ensure the continuation of the cease-fire. We reached certain agreements. Therefore, I want to state that our principal stance on these issues remains the same.

Your information that there is a positive turn in relations between the Azerbaijani Republic and the United States, and generally with the West, pleases me. I believe that our loyalty to the democratic principles in our republic, the launching of democratic and economic reforms, the measures to take our country along the democratic path, and our desire and efforts to resolve this grave problem—the ongoing war between Armenia and Azerbaijan—by peaceful means and through international organizations, all testify that the Azerbaijani Republic is walking, and will continue to walk, on the path of democracy. [end recording]

Paper Says Kusarskiy Rayon Lezgins Slain by Azeris

PM2006130994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 18 Jun 94 p 1

[Report by Eldar Zeynalov under the "Azerbaijani News" rubric: "Interethnic Tension in Kusarskiy Rayon"]

[Text] There has been a sharp increase in nationalistic propaganda in Kusarskiy rayon, which has a concentrated population of Lezgins, following the 15 June killing of four Lezgin policemen by Azeris. The body of one of them was set up in the central square of Kusary, the rayon center, causing local Lezgins to gather.

Leader Denies Ethnic Bias

NC2006193194 Baku TURAN in English 1701 GMT 20 Jun 94

[Text] Baku, June 20 (TURAN)—The local population of the Kusarskiy region as well as the authorities consider the events. which took place in the village of Piral of the Kusarskiy region of Azerbaijan on June 14, to be a crime without any ethnic colouring, said the Chairman of Azerbaijan's National Equality Party, Fakhraddin Aidayev.

Aidayev said that on June 14 armed policemen carried out a mobilization in Piral village trying to find deserters. As a result of confrontation between them and local population, one Russian citizen of Lezghin nationality, Nazim Safarov was killed and the other one, Fail Mirzabekov, was seriously injured.

The State Commission dealing with investigation of the reason of the conflict has been created. The inquiry has begun. "However, one thing is clear now: the policemen exceeded their authorities. Nobody must be killed during the mobilization", mentioned Aidayev.

Aidayev also added that the official media distributes unobjective information concerning the Piral incident.

Aidayev said that on June 15 there was a rally in the region centre of the Kusarskiy region. The rally participants did not forward political claims. "They demanded making an assessment of the Piral incident", said Fakhraddin Aidayev.

"The population of the Kusarskiy region hopes on objective results of the investigation by the State Commission", said Aidayev. He mentioned that the population demands making the heads of law enforcement bodies answerable for their activities since Azerbaijan's enemies can take advantage of their activities.

Georgia

Shevardnadze Interviewed on Abkhaz Conflict

LD2006133694 Tbilisi Radio Tbilisi Network in Georgian 0614 GMT 20 Jun 94

[Regular weekly interview with State Council Chairman Eduard Shevardnadze by Nato Oniani—live]

[Excerpts] [Oniani] Mr. Shevardnadze, it can be said that the first tangible steps in an Abkhaz peace settlement were made last week. [passage omitted] Was the latest agreement what the country needed? Was it something you were looking for?

[Shevardnadze] Thank you and good morning. Let me remind you that we did not enter Abkhazia for war. The war with the Abkhaz is as meaningless and absurd as was the adventurist war against the Ossetians which was started irresponsibly. The most persuasive argument in favor of what I said is the fact that we signed peace

accords at the time when we still held positions on the River Psou. That document was in full agreement with the interests of both Georgia and the Abkhaz people.

Our further efforts were also aimed at a peaceful settlement of the conflict. I said from the outset that a war between the Georgians and Abkhaz was inadmissible. What happened? Why were we punished so cruelly despite the fact that the entire world, including the UN and other international organizations, supported us?

Georgia's biggest mistake after the disintegration of the Soviet Union was to pursue a reckless policy toward Russia. This was not state diplomacy, but street diplomacy, if I may put it so. It was impossible to change that policy in a short period of time. It became the main reason for all our troubles.

A lot has changed since then. That defect in Georgian state policy was eliminated. We are now building friendly and good- neighborly relations with Russia which are based on mutual trust. Apart from that, Georgia has become a member of the CIS and the Collective Security Council. One of the main tasks of these international regional organizations is to guarantee the territorial integrity and inviolability of the borders of member states. [passage omitted]

It should be taken into account that the Abkhaz side is an active and fairly constructive participant in political dialogue. There have already been several meetings in Geneva, Moscow, Sochi, and elsewhere, and they have produced certain results. War and instability are ruinous not only for Georgia but also for the Abkhazes, and they know this full well.

If a Federation Council meeting to be addressed by [Russian Defense Minister] Grachev does take place tomorrow, and if the Federation Council supports President Yeltsin's edict on this issue, then an operation should start in the next few days, perhaps in two or three days.

The operation should have started on the 17th or 18th. Orders were issued and everything was ready for that. However, the heated debate and complications in our parliament became, to a certain extent, an obstacle for the timely start of this operation. At least, that is what I think.

The whole world will be a witness to this historic operation. I state without exaggerating that it will be a historic operation, carried out primarily by Russia, which will determine the future of Georgia and perhaps other countries as well. Judging by its form, content, and objectives and by the scope of the involvement of international organizations, I think that this operation will be an original and ingenious solution to the problem.

Since I briefly mentioned the Georgian-Ossetian conflict in my answer to your question, I would like to speak a little more about it.

The Georgian-Ossetian dialogue has resumed. Judging by this dialogue and by what has happened in the region in recent months, it can be said that we took the right decision as regards the introduction of peace-keeping forces to the region, which laid the foundation for a full-scale settlement. We took the right decision when we signed the Dagomys Agreement with President Yeltsin and the Ossetian side [on a tripartite peace-keeping operation in South Osetia].

The agreement reached during the latest meeting attended by members of our office, Vazha Khachapuridze, who is a deputy, Nodar Lomauri, and others is a good start. Agreement was reached on such issues as the need to combine efforts to achieve stabilization in the entire region, to fight crime and drug trafficking, to restore business ties - you know how extensive these ties used to be - and to ensure the safety of travel, which is very important. Agreement was also reached to restore road and rail links with Tskhinvali and villages. This is necessary and very important. Some other issues were also agreed, which I believe is a good start.

Russia's mediation and active position is very useful for this dialogue. The Russian unit which is now stationed in Tskhinvali is playing a very active role in this. I would like to say a few warm words about Mr. Pavlov, or, rather, General Pavlov, who treats both sides' interests with much understanding and is doing many other good things. The active position of CSCE representatives is also very useful for this diologue, as is, of course, the role of the leadership of North Ossetia, which supports a fair and objective settlement of the conflict. There have been some positive developments in this area and think this process will become even more dynamic.

[Oniani] Georgia is a CIS member state, and we are all interested in how this new organization is going to develop. You have spoken more than once in your interviews about your vision of the future of the CIS. I would like to ask you how promising you think [Kazakh President] Nazarbayev's project is.

[Shevardnadze] First of all, I would like to say that I believe that the CIS as an international and interstate organization has ample resources for further development. As for Mr. Nazarbayev's proposals and his project, which he sent to me, I have examined it carefully and in detail. Some deputies who have never set their eyes on this project or its author vilified it in the parliament. Using such illegitimate methods to criticize important documents does their dignity no good. If the author agrees, I would like this document to be published in our country and elsewhere.

The Russian president said it was necessary to think about this initiative, which is understandable and right since the document deals with such complex and important issues that it is difficult to pass judgement on it after reading or looking through it only once. Its name does not represent a problem at all. The main thing is the essence. In my opinion, the essence of this document is

that it creates more guarantees for the independence of states and calls for more integration among states. This applies to the economic and even military sphere and so on and so forth. It resembles the European Union model. [passage omitted]

I think that we should examine in a calm and business-like manner any sensible idea concerning the future of new relations among states. I believe that Nazarbayev's proposal is one such interesting idea.

[Oniani] You had a meeting with bank representatives last week, where you spoke about the necessity for reorganization and reforms in the banking system. You have also mentioned that the Georgian economy is now entering a stage of reforms. Our country should become a country of bold experiments. Is the section of the population that we call businessmen ready for this? Or, how honest can Georgian business be? How much do you think it is involved in political processes?

[Shevardnadze] Georgian business is now at a shape-up stage. It requires help and assistance. That is why I spoke about a reform in banking. Although banking is considered a difficult area for launching experiments or entrepreneurship, I believe that banking—the financial sphere generally and the economy on the whole—needs initiative, entrepreneurship, creative approaches, and experiments, if anything.

Georgia should gain a reputation as a country of bold experiments, and I am confident that foreign investors will take a much stronger interest in Georgia, provided we succeed in securing stability in the country and we are moving in this direction.

An edict I signed that opens a new stage of privatization in Georgia is also aimed at this reforms, at this task. I should tell you that I had been working on this edict for seven or eight months, back when there were seven or eight ideas on the subject in the Cabinet of Ministers.

Businessmen need protection most of all. First steps have been taken, and the country has entered a phase of a sort of stability. Now we are contemplating bringing order to the activities of controlling bodies. This is the most painful issue for Georgian business—bankers and businessmen.

I am for the earliest possible creation of proprietors within the population, and I do want more and more people to become proprietors. A proprietor's initiative, creative activity, and—I would say—a proprietor's vigor and persistence should save the country's economy. I am declaring with all responsibility that the state is the first to care about businessmen, about business with all its structures. We are pursuing this aim with consistency and on a large-scale and are considering our own mistakes as well as those of others.

In addition, I would like to raise the issue of law drafting. My address to the parliament was not incidental. A movement has already begun and work has also begun. The parliament has started to consider a very important draft law that was drafted and presented by [Justice Minister] Tedo Ninidze, together with others. This is a draft law on entrepreneurship. This will be a foundation for the development of entrepreneurship in Georgia.

The meeting with bankers has also revealed that we are in need of many laws, without which we will have no means to clear the obstacles for Georgian business. If passing of laws in the parliament is impeded, I will be forced to issue decrees on some of the topics.

[Oniani] Last week you were present at a military exercise in Batumi involving units of Russian troops stationed in the republic. You saw a lot of weaponry there—for example, Grad installations and others, which just a few months ago were used to shell you and Georgian fighters in Sukhumi. Your next encounter with Russian weaponry took place in the serene atmosphere of a Batumi training ground. What happened in the meantime? Was it Shevardnadze who changed or, perhaps, the Russian military or, indeed, something else?

[Shevardnadze] Let us discuss who changed and who did not at a different time. Now I would like to say a few words about this joint exercise. This was indeed very important, and I returned from it very satisfied. Moreover, I saw that the two Batumi battalions that are to take part in the peace mission were ready to be deployed.

With regard to the exercise.... [pauses] We are now creating an army. We need an army today or tomorrow, not in the remote future. Under such circumstances, one should make use of something that is within their reach and something that is realistic. It is within our reach to cooperate with the Russian Armed Forces and, in doing this, to build a new army with their assistance. That is why I went to Batumi. Of course, there were other reasons for my visit as well—talking to Batoni Aslan [Abashidze, Supreme Council chairman and prime minister of Ajaria], sightseeing in Batumi, and so on.

I also urge other units to invite our young people who are already in the Army or are about to start service as often as possible. You know that the Russian Army has enormous experience, and—if we want to build an army soon—we should learn from this experience as quickly as possible. I will visit other units in the future. You know that Russian units are in Akhalkalaki and Vardzia. I am planning to visit these units too and to do everything to ensure that their condition of life and service are normal and that our people's attitude to them is normal and dignified. I want them to feel that they are living and serving in a friendly country.

At the same time, we should use this foundation to speed up the building of a single, mobile, and efficient army. I believe that this process is now starting to develop on a firm foundation.

I must also say that the newly-appointed minister [Defense Minister Varden Nadibaidze]—well, he is not that new any more and his colleagues are now working in

a rather active manner to speed up the building of a single army. [passage omitted]

Russian Military Begins Clearing Mines on Abkhaz Border

NC2006194094 Yerevan SNARK in English 1305 GMT 20 Jun 94

["Russian Specialists Began Clearing of Mines on the Georgian- Abkhazian Border"—SNARK headline]

[Text] Moscow, June 20 (SNARK)—Moscow field-engineer battalion started clear of mine works of the observers' stationing sites at the Georgian-Abkhazian border. Abkhazian Representation to Moscow informed of it SNARK today.

The complete entrance of the peace-keeping forces can begin only after the positive decision of this question in the Russia's Council of Federation on June 21.

Plenipotentiary Representative of Abkhazia to Moscow Igor Akhba told SNARK that "Abkhazia, as well as Georgia expect the decision of the Council of Federation and hope that the deployment of peace- keeping forces will positively influence the peace and stability in the region".

Moscow military specialists forecast the Council of Federation will adopt the decision on sending peace-keeping forces to the zone of Georgian-Abkhazian conflict.

Russian Peacekeeping Troops Reduced in S. Ossetia

LD2006165094 Tbilisi IBERIA in Georgian 1430 GMT 20 Jun 94

[Text] Tskhinvali 20 [dateline as received]—Peacekeeping forces stationed in the Tskhinvali region have undergone changes. While up to 1,000 Russian airborne assault troops were stationed in the region in 1992, only 523 soldiers of a motor rifle battalion of the Russian Armed Forces are involved in the peacekeeping operations there at the moment.

The commanders of the Russian peacekeeping forces have said that they cannot stay in the region permanently. Therefore, Ossetians and Georgians should find a common language promptly to ensure a political settlement the current conflict.

Black Sea Fleet Ends Peacekeeping Mission

LD2006133494 Moscow ITAR-TASS in English 1314 GMT 20 Jun 94

[By UKRINFORM correspondent Mikhail Stestyuk for TASS]

[Text] Sevastopol June 20 TASS—Ships of the Black Sea Fleet have successfully completed a peace-keeping mission in western Georgia. In this connection, the press centre of the Black Sea Fleet reported that Georgian leader Eduard Shevardnadze had gone aboard the "Tsezar Kunikov" paratrooper ship to watch show landing exercises performed by Black Sea Fleet marines jointly with Russian and Georgian servicemen.

In a telegram addressed to the commander of the Black Sea Fleet Eduard Baltin Shevardnadze thanked naval officers for their aid in the transportation of civil cargoes and assistance rendered to Georgian troops in the defence of Georgian state borders.

Refugees Support Call for Peacekeeping Forces

MK2106074094 Moscow NEZAVISIMAYA GAZETA in Russian 21 Jun 94 p 3

[Untitled report under the "NEGA Reports" rubric]

[Text] In the wake of last week's incident in parliament, the indignant refugees making their temporary home in the city of Zugdidi and Zugdidi Rayon have addressed to Eduard Shevardnadze a brief letter supporting the head of state's actions aimed at a peaceful settlement of the Abkhazian conflict. "Enough bloodshed, enough casualties, our material and moral resources have long been exhausted," the letter says. "The refugees have reached the point where they have begun begging." The documents [as published] are signed by several hundred people driven to desperation, they voice their indignation at the irresponsibility of opposition-minded deputies and their "jingoist speeches" in parliament. "We ask you to take all the necessary measures for a timely and unimpeded bringing in of peacekeeping forces and their deployment in Abkhazia," the authors of the letter insist.

Paper Gives Data on Leading Members of Reformers Union

AU2006123094 Tbilisi ERKVANI in Georgian 1 Jun 94 p 3

["Leadership of the Reformers Union of Georgia"]

[Text] 1. Iveri Varlamis dze [son of Varlami] Prangishvili—born on 6 June 1930; doctor of sciences, professor, academician; honorary chairman of the Reformers Union of Georgia.

2. Bakur Davitis dze Gulua—born on 9 September 1946; member of Parliament; chairman of the Reformers Union of Georgia.

3. Zaur Evstropis dze Qruashvili—born on 6 October 1932; professor, doctor, corresponding member of the academy, general director of the "Analizkhelsatsqo" association; cochairman of the Reformers Union; member of the business executive.

4. Aliko Avtandilis dze Tavartkiladze—born in 1941; engineer, director of the industrial and commercial firm "Lilo"; cochairman of the Holland-Georgia Union of Reformers, member of the business executive.

5. Shalva Aleksandres dze Ninua—born in 1957; owner of the one-man "Bani and Company" business; cochairman of the Reformers Union, member of the business executive.

6. Davit Grigolis dze Kekenadze—born in 1943; mechanical engineer, candidate of technical sciences, president of the "Mobiluri Capitali" corporation; cochairman of the Reformers Union, member of the business executive.

7. Zaal Bikentis dze Kobakhidze—born on 15 December 1953; candidate of economic sciences, president of the Individual Initiatives Corporation; cochairman of the Union of Reformers, member of the business executive.

8. Nodar Mikheilis dze Tavartkiladze—born on 13 August 1950; candidate of sciences, political scientist, executive director of the "Amagi" charity fund; organizational secretary of the Reformers Union.

President Outlines Aims, Economic Program

AU2006102594 Tbilisi ERKVANI in Georgian 1 Jun 94 p 1

[Interview with Iveri Prangishvili, honorary president of the Reformers Union of Georgia, by Maka Khetsuriani; date, place not given]

[Text] Academician Iveri Prangishvili, one of the founders of the Reformers Union and its honorary president, answered three questions put to him by our correspondent.

[Khetsuriani] **Batoni Iveri, what does the Reformers Union represent and what are its aims?**

[Prangishvili] First and foremost, the Reformers Union is not a political party but an organization whose aim is to conduct reforms in a correct manner in the Georgian economy. To all intents and purposes, we do not have an economy today; at the moment, we can only dream of producing goods. In order to restore the economy, it is necessary, first and foremost, to restore the old ties with the republics of the former Soviet Union that have been ruptured. According to our model, by the end of 1994, 50 percent of enterprises will be made bankrupt, there will be no more state subsidies, and any enterprise that is unable to produce goods will be unable to exist. The economic decline will reach its peak at the end of 1995 and then come to an end and we will have regulated the situation by about 2000; so, there exists only one way of reviving the economy and this is by concluding treaties with the CIS countries, restoring ties with enterprises, renewing relations with factories and institutes, exchanging specialists and carrying out joint work; we should inform the people in detail of the first successful steps and their positive results.

[Khetsuriani] **Do you think that structural changes are necessary in industry and agriculture?**

[Prangishvili] The Reformers Union understands full well that, in order to transfer to a market economy, structural changes should gradually be made in industry and agriculture. However, we should remember that, in the transitional period, we should first invigorate and revive existing economic and management structures and subsequently set about modernizing them. At the same time, new economic and management structures should be formed and there should be a stage-by-stage transfer to them according to our state of readiness. It is necessary to carry out evolutionary reforms gradually and thereby the revival of relations between existing enterprises and management structures and their future modernization will be less painful for society than neglecting what exists and forming something new.

[Khetsuriani] **What factors could prove effective in halting the economic decline?**

[Prangishvili] First: Inflation will slow down. Its rate will fall to 7-10 percent per month. This will continue for eight to 10 months and this will already be an indicator of stability in the financial system.

Second: Price rises will be checked! If, in 1993, prices rose by a factor of 20, they will rise by a factor of only four or five during this period.

The third factor: Unstable enterprises will go bankrupt. The number of such enterprises will rise from the current level of 30 percent to 70 percent.

Against this background, I would like to remind you once more how important it will be to restore economic ties between enterprises. Today, our enterprises do not have funds and sufficient cadres. They only have premises and old useless equipment. The principal branches of industry are not functioning; for example, the textile industry is at a complete standstill. It is impossible to change this situation and revive production and the economy without restoring the aforementioned ties.

Naturally, the establishment of ties with other countries as well will render great service to the revival of our economy; for example, a treaty will be concluded with the United States in accordance with which we should be allocated credits to construct 200 small hydroelectric power stations. We hope that we will also be given help in constructing a 600 megawatt thermal power station in Kutaisi. All of this lies in the future. It is precisely the realization of these prospects that forms the aim of the Reformers Union. If we achieve the development of our country's economy, we, both the founders and members of the union, will feel that we have fulfilled our duty to Georgia.

Estonia

Premier Submits Ministers' Resignations

WS2106102994 Tallinn BNS in English 1456 GMT 20 Jun 94

[Text] Tallinn, June 20, BNS—Prime Minister Mart Laar on Sunday formally sent to President Lennart Meri his formal proposals to relieve Finance Minister Heiki Kranich and Culture and Education Minister Paul-Eerik Rummo from their duties, Government Spokesman Ain Saarna said.

According to the country's laws, the president now has got three days to make his decision.

Kranich and Rummo, both from the Liberal Democratic Party, entered their resignations last Tuesday. The Liberal Democratic Party on the same day announced its stepping out from the Pro Patria-led ruling coalition.

Recent media reports have mentioned Kalle Jurgenson, deputy chairman of the Pro Patria faction in the parliament, as a most likely candidate for the post of the finance minister, as well as Tonis Lukas, the director of the Estonian National Museum, as a possible new culture and education minister. Both have denied having received proposals to accept the positions.

Also mentioned have been Andres Lipstok, local administration leader in the western Laanemaa county, as possible new finance minister, and Tiit Sinissaar, head of the Pro Patria faction in the parliament, as minister of culture and education.

Estonia currently also has the position of the defense minister vacant. Official reports name Raul Opik as still the main candidate for the office.

The prime minister in interviews earlier has expressed hope that the new ministers will be sworn in at summer emergency sessions of the parliament, due at the end of this month.

Meri, Luik: PRC Understands, Supports Foreign Policy

WS2106103394 Tallinn ETA in English 0645 GMT 21 Jun 94

[From 21 Jun EESTI SENUMID, HOMMIKULEHT, RAHVA HAAL, POSTIMEES, pp 1, 3; "News Bulletin" No. 119/94]

[Text] The Chinese leaders fully understand Estonia's foreign political priorities and intend to support them, President Lennart Meri and Foreign Minister Juri Luik announced at yesterday's news conference.

The president and the foreign minister met President of the People's Republic of China Jiang Zemin, Prime Minister Li Peng and Deputy Prime Minister-Foreign Minister Qian Qichen. President Meri said that their discussions concerned a number of issues, including relations with Russia. The Chinese leaders expressed full support to the demand of troops withdrawal by August 31 and also pointed out that China will not agree to Russia's claim for peacekeeping mandate in the territory of the former USSR, he said. The president added that the Chinese foreign minister had agreed to his views on the need to increase the role of the small countries in the UN. Meri also stressed that Foreign Minister Qian Qichen will visit Estonia as soon as on July 2. "It would be comical to consider it a mere coincidence," Meri commented.

Juri Luik added that both parties agreed to exchange information between their UN representations. Luik stressed the increasing role of China at the UN Security Council. He explained that Estonia will follow the practice of most Western European countries in developing relations with China and Taiwan. Luik also told the news conference that China will refrain from supporting possible propagandistic accusations of human rights violations in Estonia and will refer to Estonia as a country that has restored its independence. When asked about discussing human rights situation in China, Luik said that a "wide political debate took place".

President Meri further pointed out that Estonian-Chinese economic cooperation has been quite modest. The 3 million dollar loan for purchasing Chinese goods can only be used after the presidential visit, since only one enterprise had been previously authorised to mediate the trade, Chairman of the Consumers Cooperatives Central Union Raivo Kutt said.

Luik stressed that China is interested in Estonian cellulose and paper production, cooperation in oil shale mining and processing and in purchasing Estonian office furniture. Estonia's interest in Chinese pharmacy was also mentioned.

Estonia can also rely on Kazakhstan's support on all major issues, Meri told the news conference. He met President Nursultan Nazarbayev and other Kazakh leaders on June 10-12 and also the foreign minister on return from China. President Nazarbayev explained him the principles for his proposed Euro-Asian union. The Kazakh leaders are interested in developing economic relations with Estonia and opening diplomatic representations, Meri said. An agreement on mutual understanding and cooperation was signed during the visit.

Government Sets Rules for Issuing 'Alien's Passports'

WS2006133894 Tallinn BNS in English 1217 GMT 20 Jun 94

[Text] Tallinn, June 20, BNS—The government in its ruling from June 17 established regulations for the issuing of alien's passports in Estonia.

The ruling says that alien's passports will be issued to stateless persons who have no passport or other ID and who are not eligible to obtain the passport of some other country.

The document will also be issued to aliens whose Estonian citizenship application is in process and who have passed the applicant's Estonian language exam.

Documents required upon seeking a alien's passport include a written application, curriculum vitae, a document declaring the applicant a stateless person.

Draft Law Demands Return of Petserimaa District

LD2106092994 Tallinn Radio Tallinn Network in Estonian 1500 GMT 21 Jun 94

[Text] Today, as every Monday, pickets stood outside the Russian naval headquarters building in Tallinn. Member of the Swedish Riksdag, Peter Luksep, speaking from the picket line, said that the presence of Russian troops in Estonia is not an issue for Estonia and Russia alone. The presence of Russian troops in Estonia concerns democracy in Europe as a whole.

Reet Tobre, chairwoman of the Petserimaa Association, said in her speech that during the last few weeks Russian border guards have detained several Estonians who were visiting their relatives in the Russian side. They were accused of violating the regulations on the Estonian-Russian line of control.

Tunne Kelame said that the Estonian National Independence Party faction in the Riigikogu has presented the Riigikogu with a draft law on restoring Petserimaa district to Estonia..

Every Monday pickets stand outside the Russian naval headquarters building demanding an unconditional withdrawal of the Russian Army from Estonia by 31 August. The pickets are organized by the Estonian National Independence Party.

Labor Office Reports Unemployment Figures, Seasonal Drop

WS2006114294 Tallinn BNS in English 0910 GMT 20 Jun 94

[Text] Tallinn, June 20, BNS—Latest Labor Market Department reports show the number of unemployed in Estonia at 18,621, which corresponds to a jobless rate of 2.21 percent.

A decline in the number by 901 from May 1 is attributed to seasonal effects, said Inge Rauba, departmental head at the department.

Regionally, unemployment rates continue to be highest in the northeastern Ida-Virumaa region and the city of Kohtla-Jarve, in the southern Polvamaa and Vorumaa counties, as well as in the western island county of Hiiumaa, where the rate was more than 5 percent over the national average, Rauba said.

The reference for the Labor Market Department Calculations is the number of working-age population in the country as of Jan. 1, estimated at 840,790.

Estonia as of May 1 had officially registered 19,522 as unemployed, which amounted a jobless rate of 2.32 percent.

Latvia

Russian Troops Observe Withdrawal Schedule

LD2006134194 Moscow ITAR-TASS in English 1321 GMT 20 Jun 94

[By ITAR-TASS correspondent Galina Kuchina]

[Text] Riga June 20 TASS—Russian troops are being pulled out of Latvia according to schedule, the press centre of the North-Western Army Group reported on Monday. There will be not a single unit or military installation here after August 31, apart from the radar station in Skrunda.

Air and naval forces, border troops and air defence units have already left this Baltic state. Out of 177 units, over 50 percent were redeployed, three-quarters of combat materiel and 95 percent of ammunition were carried away.

Less than ten percent of material resources are to be loaded. There were 361 military and 34 housing compounds in Latvia. Russian troops have now less than a third of military and about 50 percent of housing compounds. The rest were handed over to local authorities.

Interim Agreement on Noncitizens Approved With Russia

LD2006181294 Riga Radio Riga Network in Latvian 1700 GMT 20 Jun 94

[Text] The Foreign Affairs and Security Committee of the Latvian Cabinet of Ministers today approved an interim agreement between the Latvian and Russian Governments on travel from Latvia to Russia, and return to places of permanent residence in Latvia of citizens of the former USSR who are neither citizens of Latvia nor citizens of Russia nor citizens of a third country. According to the interim agreement, the abovementioned people will be able to travel to Russia without visas and return to Latvia showing documents stating their identity. The passport of the former USSR, which has an entry in it about a person's place of permanent residence in Latvia, will ensure visa-free return to Latvia.

Apart from this, the Committee also approved an agreement between Latvia and Russia on the work of border representatives, which envisages nomination of plenipotentiary representatives of the two states for settling incidents that have occurred on the border and for tackling problems related to the border. The agreement

provides that each side nominates one plenipotentiary border representative and two deputies, who will consider problems arising on the border at conferences after a proposal from either side.

Western Ambassadors, CSCE Criticize Citizenship Bill

LD2006162794 Riga Radio Riga Network in Latvian 1400 GMT 20 Jun 94

[Text] Italian Ambassador Umberto Pestalozzi [name and title as received], Swedish Ambassador Andreas Aadahl [name and title as received], and Gerald (Hamilton), the CSCE commissioner in Latvia, met President Guntis Ulmanis today. This time all three supported the CSCE's opinion regarding the Latvian citizenship bill. They stressed that they supported the interests of the Latvian state and saw that much has already been achieved after independence was regained. However, parts of the bill, which do not meet CSCE requirements, are now causing a certain anxiety.

The Swedish ambassador acknowledged that it was impossible to achieve in three years what other European countries have achieved in the whole post-war period, and that the issue of the presence of ethnic minorities in Latvia was also the issue of survival for the Latvian people.

The Italian ambassador stressed that not everyone presently fully understands the particular significance of the citizenship law and the consequences that may follow if the bill is passed in its present version. That will also complicate Latvia's joining the European Council.

The CSCE commissioner, for his part, noted that the part of the draft law, which lays down naturalization quotas, was considered the most critical point. He said experts from the Council of Europe were currently in Riga and they will help the Saeima work out a suitable version that international organizations, including the Council of Europe and the CSCE, will be able to support.

Free Trade Agreement With EU Signed in Brussels

LD2006151094 Riga Radio Riga Network in Latvian 1400 GMT 20 Jun 94

[Text] According to the Latvian Ministry of Foreign Affairs' press center, the free trade agreement between the Republic of Latvia and the European Union was initialled in Brussels today. The agreement was initialled on Latvia's behalf by Olgerts Pavlovskis, state minister for foreign trade and European Union affairs.

Further on Newly Formed National Conservative Party

WS2006133694 Tallinn BNS in English 1217 GMT 20 Jun 94

[Text] Riga, Jun 20, BNS—The newly established Latvia's National Conservative Party LNNK elected Saturday former National Independence Movement Board Chairman Aristids Lambergs as its leader. Lambergs candidacy was supported by 231 delegates of the party congress while his rival Andrejs Krastins polled only 67 votes. Baiba Petersone became the party's deputy chairwoman.

The amended party program calls to strengthen the national statehood of Latvia by implementing tough and clearly defined immigration policy, supporting repatriation programs and basing the citizenship law on the quota principle. In addition, the program provides to establish the Constitutional Court to supervise the law abidance of state administration, local governments and top officials.

The section of the program dedicated to national security and defense intends to improve information processing system within the framework of the security service. It plans to continuously analyze the situation in Russia, set up a special structure to combat organized crime and define a professional army as the basis of the Defense Forces.

The economic program focuses on balanced monetary policy, more efficient privatization process, encouragement of export, completion of land reform and creation of favorable environment for foreign investment.

Latvia should give up retransmission of Russian television programs because these broadcasts "ensure the psychological comfort of aliens unloyal to the (Latvian) state," according to the program.

As reported, the Latvian National Independence Movement changed its status during its congress on Saturday to become the National Conservative Party LNNK.

Lithuania

Parliament Speaker Attacks Proposed Referendum

LD2006141694 Moscow ITAR-TASS in English 1346 GMT 20 Jun 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius June 20 TASS—Speaker of the Lithuanian parliament Ceslovas Jursenas called attempts by the right-wing party "Union of Fatherland" (Lithuanian Conservatives) to organise a referendum on economic issues as "efforts to undermine the state's foundations".

The party led by Vytautas Landsbergis and Giadiminos Vagnorius demands that the main item of the poll should be a 100-time indexation of people's deposits at savings banks, the speaker said at a news conference on Monday which was broadcast by national radio.

He did not accept last Friday signatures of 413,110 Lithuanians in support of a referendum, which were collected by a sponsoring group of conservatives.

Explaining reasons for his move, Jursenas said that "the old law is still in force. It lays down that such signatures should be handed over to the presidium of the Lithuanian parliament, an institution which is not provided for in the new constitution".

Besides, sheets with signatures, hence the will of people, were not formalised with the final act, as it is provided for by the previous law. Therefore, he had no powers from parliament to receive 43 volumes of signatures.

On the other hand, amendments to the law on referendum, which were adopted by parliament recently, were not approved by the Lithuanian president, which was well known to the sponsoring group. The legislature is to solve this "legal problem" on Tuesday.

Leader of Lithuanian Conservatives Vytautas Landsbergis who also held a news conference on Monday, described the speaker's actions as "a demonstration of disrespect for the will of nearly 500,000 Lithuanian voters and a desire to win time".

Brazauskas Hopes for More U.S. Investments

LD2006184494 Moscow ITAR-TASS in English 1830 GMT 20 Jun 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius June 20 TASS—"An intention expressed by the head of the U.S. Administration to meet leaders of the three Baltic states in Riga on July 6 shows that the United States has recognised and respects our independence," said Lithuanian President Algirdas Brazauskas in a traditional interview on national radio on Monday.

"I have received a very kind message to this effect from Bill Clinton in which he confirms the fact of his arrival in Riga and his wish to meet the presidents of Latvia, Lithuania and Estonia," Brazauskas said.

The Lithuanian president expects to discuss with Bill Clinton regional problems and hopes for Clinton's support which "has been felt until now."

Brazauskas added that "we would attempt once again to acquaint the U.S. president with the conditions for foreign investments into the Lithuanian economy, which, in our opinion, are not bad and which we are going to improve, taking into account the experience of Central European states."

Opposition Expects International Experts To Be Objective

WS2106112294 Tallinn BNS in English 1800 GMT 20 Jun 94

[Text] Vilnius, Jun 20, BNS—The leader of the Lithuanian parliament's rightist opposition, Vytautas Landsbergis, is quite reserved in his estimations of Prime Minister Adolfas Slezevicius' proposal to set up an international commission of experts to assess the possible economic consequences of savings restoration.

At a press conference Monday, Landsbergis said there is doubt whether such a commission would be "objective and impartial."

The opposition leader, who also heads the Conservative Party, told reporters that the conservatives became cautious after a meeting in early July with Peter Cornelius, representative of the IMF in Lithuania. The IMF official expressed his negative attitude toward the Conservative Party's initiative to hold a referendum on unlawful privatization and savings restoration, and warned that consequences of an indexation would be ruinous to the Lithuanian financial system.

The conservatives, who suggest a hundredfold indexation of people's savings, said Cornelius expressed "strange views" about their initiative and Lithuania's economic policy in general. In a letter sent to the IMF leadership, the Conservative Party asked to explain whether Cornelius expressed his personal attitude or the official position of the fund.

In Landsbergis' words, the IMF representative expressed his opinion before he heard both sides. "We were under the impression that Cornelius is not an independent expert, or dependent on the Lithuanian Government," the opposition leader said. In his view, the government uses representatives of international organization "for internal struggle."

The Lithuanian parliament is scheduled to discuss the premier's initiative Tuesday. Parliament Chairman Ceslovas Jursenas said the proposal is "attractive" because "people must understand what is suggested for the referendum."

Landsbergis said he hopes that an international commission, if it is set up, will be able to analyze the general situation in Lithuania more carefully, and the opposition will have an opportunity "to explain some things about the government's policy."

Crime Rate Reported Down by 19.5 Percent

WS2106112394 Tallinn BNS in English 1800 GMT 20 Jun 94

[Text] Vilnius, Jun 20, BNS—An estimated 21,551 crimes were reported to law enforcement agencies during the first five months of this year in Lithuania, or 19.5 percent less than during the same period last year, the Lithuanian Statistics Department said.

According to the report, the number of crimes during the same period decreased by 11 percent in Estonia and 30 percent in Latvia.

58 crimes are committed per 10,000 population in Lithuania, 94 in Estonia and 64 in Latvia. The number of serious crimes increased by 9.5 percent in Lithuania

compared to the same period last year. 193 murder cases have been reported so far, or 78 more than last year.

But the number of disclosed crimes also increased running at 42 percent in April and 43 percent in May. Around 24 percent of crimes are disclosed in Latvia and Estonia, the Statistics Department said.

The number of crimes involving firearms went up from 101 cases during the first five months last year to 131 cases this year.

The number of racketeering cases tripled since last year despite police efforts to combat organized crime.

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